

COMPOSITE SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013
AMONGST
J.M. HOSIERY & CO. LIMITED
(Transferor Company)
AND
EBELL FASHIONS PRIVATE LIMITED
(Transferor Company)
AND
LUX INDUSTRIES LIMITED
(Transferee Company)
AND
THEIR RESPECTIVE SHAREHOLDERS



A. BACKGROUND OF THE COMPANIES

- (i) J. M. Hosiery & Co. Limited, the “Transferor Company 1”, having Corporate Identity Number U18109WB2004PLC100233, a public limited company within the meaning of the Companies Act, 2013, was originally incorporated as “Todi Hosiery Private Limited” on 20th October, 2004 under the Companies Act, 1956 in the State of West Bengal. It was converted to a public limited company in the year 2012, subsequently renamed to its present name i.e. J. M. Hosiery & Co. Limited and a fresh Certificate of Incorporation consequent upon change of name issued on 29th July, 2015 by the Registrar of Companies, West Bengal. The Transferor Company 1 is engaged, *inter alia*, in the business of manufacturing, marketing, selling and distribution of knitted apparel including hosiery.
- (ii) Ebell Fashions Private Limited, the “Transferor Company 2”, having Corporate Identity Number U25191WB1997PTC084787, private limited company within the meaning of the Companies Act, 2013, was originally incorporated as “Ebel Polymers Private Limited” on 30th June, 1997 under the Companies Act, 1956 in the State of West Bengal. It was subsequently renamed to its present name i.e. Ebell Fashions Private Limited and a fresh Certificate of Incorporation consequent upon change of name issued on 7th May, 2013 by the Registrar of Companies, West Bengal. The Transferor Company 2 is engaged, *inter alia*, in the business of manufacturing, marketing, selling and distribution of knitted apparel for women’s
- (iii) Lux Industries Limited, the “Transferee Company”, having Corporate Identity Number L17309WB1995PLC073053, public listed company within the meaning of the Companies Act, 2013, was originally incorporated as “Lux Hosiery Industries Limited” on 21st July, 1995 under the Companies Act, 1956 in the State of West Bengal. It was subsequently renamed to its present name i.e. Lux Industries Limited and a fresh Certificate of Incorporation consequent upon change of name issued on 24th October, 2007 by the Registrar of Companies, West Bengal. The Transferee Company is engaged, *inter alia*, in the business of manufacturing, marketing, selling and distribution of knitted apparel including hosiery. The shares of the Transferee Company are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.



B. OVERVIEW AND OPERATION OF THIS SCHEME

This Scheme provides for the amalgamation of the Transferor Companies into the Transferee Company (*as defined hereinafter*), in the manner set out in this Scheme, and in accordance with the provisions of Sections 230 to 232 of the Act and other applicable provisions of Applicable Law.

C. PARTS OF THIS SCHEME

This Scheme is divided into the following parts :

- (i) **PART I** deals with the definitions of capitalized terms used in this Scheme and the share capital of the Transferor Companies and the Transferee Company;
- (ii) **PART II** deals with the amalgamation of the Transferor Companies with the Transferee Company; and
- (iii) **PART III** deals with the general terms and conditions that would be applicable to this Scheme.

D. RATIONALE FOR THIS SCHEME

The amalgamation of the Transferor Companies with the Transferee Company would *inter alia* have the following benefits:

- (a) The proposed merger will lead to the presence of the Transferee Company across various market segments leading to risk mitigation and higher growth;
- (b) The proposed merger will rationalize the management structure, enhance customer reach, reduce overhead costs and ultimately lead to increased top line and bottomline for the merged entity;
- (c) The merged entity will have greater financial strength and flexibility;



- (d) The merger will also result in value appreciation for the shareholders of the merged entity;
- (e) Under a liberalised, fast changing and highly competitive environment, this amalgamation shall strengthen the businesses of the Transferor Companies and the Transferee Company by pooling up resources for common purpose;
- (f) The amalgamation will enable the future business activities to be carried on more conveniently and advantageously with a larger asset base besides achievement of management efficiency, reduction in administrative cost, optimisation of resources, enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the merged company.
- (g) Cost savings are expected to flow from more focused operational efforts, rationalisation, standardisation and simplification of business processes, and the elimination of duplication and rationalization of administrative expenses.

In view of the aforesaid, the Board of Directors of the Transferor Companies as well as the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Companies with the Transferee Company in order to benefit the shareholders, creditors, employees, and other stakeholders of both the Transferor Companies and the Transferee Company. Accordingly, the Board of Directors of both the companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Companies to the Transferee Company pursuant to the provisions of Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

PART I

1. DEFINITIONS



1.1 DEFINITIONS

In this Scheme, unless inconsistent with the subject or context thereof, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) subject to (iii) below, all terms and words not defined in this Scheme shall have the same meaning ascribed to them under Applicable Laws; and (iii) the following expressions shall have the following meanings:

- 1.1.1 **“Act”** means the Companies Act, 2013 to the extent of the provisions notified and the Companies Act, 1956 to the extent of its provisions in force and shall include any other statutory amendment or re-enactment or restatement and the rules and/ or regulations and/ or other guidelines or notifications under Applicable Laws, made thereunder from time to time;
- 1.1.2 **“Appointed Date”** means 1st April, 2018;
- 1.1.3 **“Applicable Law”** means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties and shall include, without limitation, the listing agreement executed with the Stock Exchanges in the case of the Transferee Company.
- 1.1.4 **“Appropriate Authority”** means:
- (a) the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
 - (b) any public international organisation or supranational body and its institutions,



- departments, agencies and instrumentalities;
- (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) the Competition Commission of India, SEBI (*as defined hereinafter*), and the Tribunal (*as defined hereinafter*); and
- (d) any Stock Exchange.
- 1.1.5 **“Board”** in relation to each of the Transferor Companies and the Transferee Company as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to the amalgamation, this Scheme or any other matter relating thereto.
- 1.1.6 **“Effective Date”** means the day on which the conditions specified in Clause 17 (Conditions Precedent) of this Scheme are complied with.
- 1.1.7 **“Encumbrance”** means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments, hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **“Encumber”** shall be construed accordingly;
- 1.1.8 **“INR”** means Indian Rupee, the lawful currency of the Republic of India.
- 1.1.9 **“Parties”** shall mean collectively the Transferor Companies and the Transferee Company and **“Party”** shall mean each of them, individually;



- 1.1.10 **"Permits"** means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory under Applicable Law;
- 1.1.11 **"Person"** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;
- 1.1.12 **"Record Date"** means the date to be fixed by the Board of the Transferor Companies in consultation with the Transferee Company for the purpose of determining the shareholders of the Transferor Companies for issue of the new equity shares pursuant to this Scheme.
- 1.1.13 **"RoC"** means the relevant Registrar of Companies having jurisdiction over the Transferor Companies or the Transferee Company as the case may be;
- 1.1.14 **"Scheme"** means this scheme of amalgamation, with or without any modification approved or imposed or directed by the Tribunal;
- 1.1.15 **"SEBI"** means the Securities and Exchange Board of India;
- 1.1.16 **"SEBI Circular"** shall mean the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, and any amendments thereof, modifications issued pursuant to regulations 11 and 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;
- 1.1.17 **"Stock Exchanges"** means the National Stock Exchange of India Limited ("**NSE**") and Bombay Stock Exchange Limited ("**BSE**");
- 1.1.18 **"Taxation"** or "**Tax**" or "**Taxes**" means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Transferor Companies or the Transferee Company or any other Person and all penalties, charges,



costs and interest relating thereto;

1.1.19 **“Tax Laws”** means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature;

1.1.20 **“Transferee Company”** means Lux Industries Limited, a public listed company, within the meaning of the Companies Act, 2013, having corporate identity number L17309WB1995PLC073053 and having its registered office at 39, Kali Krishna Tagore Street, Kolkata – 700 007, India;

1.1.21 **“Transferor Company 1”** means J.M. Hosiery & Co Limited, a public company, within the meaning of the Companies Act 2013, having corporate identity number U18109WB2004PLC100233 and having its registered office at 39, Kali Krishna Tagore Street, Kolkata – 700 007, India.

1.1.22 **“Transferor Company 2”** means Ebell Fashions Private Limited, a private company, within the meaning of the Companies Act 1956, having corporate identity number U25191WB1997PTC084787 and having its registered office at PS Srijan Tech Park, DN-52, 10th Floor, Salt Lake City, Sector – V, Kolkata – 700 091, India.

1.1.23 **“Transferor Companies”** means collectively the Transferor Company 1 and the Transferor Company 2;

1.1.24 **“Tribunal”** means the National Company Law Tribunal having jurisdiction over the Transferor Companies and the Transferee Company.

1.2 INTERPRETATIONS

In this Scheme, unless the context otherwise requires:

1.2.1 words denoting singular shall include plural and vice versa;

1.2.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;



- 1.2.3 references to the word "include" or "including" shall be construed without limitation;
- 1.2.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 1.2.5 unless otherwise defined, the reference to the word "days" shall mean calendar days;
- 1.2.6 Reference in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date;
- 1.2.7 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- 1.2.8 word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them.

2. SHARE CAPITAL

- 2.1 The share capital of the Transferor Company 1 as on 31st March, 2018 is as follows:

| Particulars | | INR |
|-----------------------------------------------|--|--------------------|
| Authorised Share Capital | | |
| 75,00,000 equity shares of INR 10 each | | 7,50,00,000 |
| Total | | 7,50,00,000 |
| Issued, Subscribed and Paid-up Capital | | |
| 74,46,006 equity shares of INR 10 each | | 7,44,60,060 |
| Total | | 7,44,60,060 |

The equity shares of the Transferor Company 1 are not listed on any stock exchange in India or elsewhere.

- 2.2 The share capital structure of the Transferor Company 2 as on 31st March, 2018 is as follows:

| Particulars | | INR |
|-----------------------------------------------|--|------------------|
| Authorised Share Capital | | |
| 2,50,000 equity shares of INR 10 each | | 25,00,000 |
| Total | | 25,00,000 |
| Issued, Subscribed and Paid-up Capital | | |



| | |
|---------------------------------------|------------------|
| 2,35,000 equity shares of INR 10 each | 23,50,000 |
| Total | 23,50,000 |

The Transferor Company 2 is a private limited company.

- 2.3 The share capital structure of the Transferee Company as on 31st March,2018 is as follows:

| Particulars | INR |
|---------------------------------------------|---------------------|
| Authorised Share Capital | |
| 4,50,00,000 equity shares of INR 2 each | 9,00,00,000 |
| 56,00,000 preference shares of INR 100 each | 56,00,00,000 |
| Total | 65,00,00,000 |
| Issued & Subscribed | |
| 2,77,37,500 equity shares of INR 2 each | 5,54,75,000 |
| Total | 5,54,75,000 |
| Fully Paid Up | |
| 2,52,53,000 Equity Shares of INR 2 each | 5,05,06,000 |
| Total | 5,05,06,000 |

The Issued & Subscribed Capital of the Company consist of 2,77,37,500 equity shares of Rs. 2/- each while the Fully Paid Up Capital of the Company consists of 2,52,53,000 Equity Shares of Rs. 2/- each in view of the fact that the Company had forfeited 4,96,900 equity shares of Rs. 10/- each (equivalent to 24,84,500 equity shares after sub-division of shares from that of Rs. 10/- each to Rs. 2/- each) during the financial year 2006-07.

The Transferee Company is a public limited company and its equity shares are listed on the NSE& BSE.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

- 3.1 This Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 16 of this Scheme, shall become effective from Appointed Date but shall be operative from the Effective Date.



PART II

AMALGAMATION OF TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY

4. TRANSFER OF ASSETS AND LIABILITIES

- 4.1** With effect from the opening of business hours of the Appointed Date, and subject to the provisions of this Scheme and pursuant to Section 232 of the Act and Section 2(1B) of the Income-tax Act, 1961, the Transferor Companies shall stand amalgamated with the Transferee Company as a going concern and all assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferor Companies shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.
- 4.2** Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:
- 4.2.1** with respect to the assets of the Transferor Companies that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Companies by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date;
- 4.2.2** subject to Clause 4.2.3 below, with respect to the assets of the Transferor Companies, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other



authorities and bodies, customers and other persons, whether or not the same is held in the name of the respective Transferor Companies the same, shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date by operation of law as transmission, as the case may be, in favour of Transferee Company. With regard to the licenses of properties, the Transferee Company will enter into novation agreements, if it is so required;

- 4.2.3 without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, factories, sites, tenancy rights related thereto, and other immovable property, including accretions and appurtenances), whether or not included in the books of the concerned Transferor Companies, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immovable property) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Companies, without any act or deed to be done or executed by the Transferor Companies, as the case may be and/or the Transferee Company;
- 4.2.4 all debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) of the Transferor Companies shall, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the respective Transferor Company, and it shall not be necessary to obtain the consent of any Person who is a party to the contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4;
- 4.2.5 the vesting of the entire undertaking of the Transferor Companies, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant



assets of the Transferor Companies or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the respective Transferor Company is a party) related to any assets of such Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of / to be availed of by it, and the Encumbrances in respect of such indebtedness of the Transferee Company shall not extend or be deemed to extend or apply to the assets so vested;

- 4.2.6 Taxes, if any, paid or payable by the respective Transferor Company after the Appointed Date shall be treated as paid or payable by the Transferee Company and the Transferee Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable;
- 4.2.7 if any of the Transferor Companies is entitled to any unutilized credits (including balances or advances), benefits, subsidies, grants, special status and other benefits or privileges of whatsoever nature under any incentive schemes and policies including tax holiday or concessions under any Tax Laws or Applicable Laws, the Transferee Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or unutilised credits as the case may be automatically without any specific approval or permission;
- 4.2.8 upon Part II of the Scheme becoming effective, the Transferor Companies and/or the Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme;
- 4.2.9 it is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Companies, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230



to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, 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 Companies, to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

4.2.10 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Companies have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Companies in the name of the respective Transferor Companies and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company; and

4.2.11 without prejudice to the foregoing provisions of Clause 4.2, the Transferor Companies, and the Transferee Company shall be entitled to apply to the Appropriate Authorities as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require and execute any and all instruments or documents and do all acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies or filing of necessary applications, notices, intimations or letters with any authority or Person, to give effect to the above provisions.

5. PERMITS

With effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to the Transferor Companies, pursuant to the provisions of Section 232 of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and



conditions to the extent permissible in Applicable Laws. Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/ or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Companies, and under the relevant license and/or permit and/or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

6. CONTRACTS

6.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature, subsisting or having effect on or immediately before the Appointed Date, to which any of the Transferor Companies is a party shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into novation agreement(s) in relation to such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above. Any *inter-se* contract between any of the Transferor Companies, on the one hand, and the Transferee Company on the other hand, shall stand cancelled and cease to operate upon the effectiveness of Part II of this Scheme.

6.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the assets and liabilities of the Transferor Companies occurs by virtue of this Scheme, the Transferee Company may, at any time in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which either of the Transferor Companies is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies, to carry out or perform all such formalities or



compliances referred to above on the part of the Transferor Companies.

- 6.3 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Companies in the name of such Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Companies, to the Transferee Company under this Scheme has been given effect to under such contracts and transactions.

7. EMPLOYEES

Upon this Scheme coming into effect and with effect from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Companies on the terms and conditions not less favourable than those on which they are engaged by the Transferor Companies without any interruption of service as a result of the amalgamation of the Transferor Companies with the Transferee Company. The Transferee Company also agrees that the services of all such employees with the Transferor Companies prior to the amalgamation of the Transferor Companies with the Transferee Company shall be taken into account for

the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retrial/ terminal benefits.

8. LEGAL PROCEEDINGS

If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called the "Proceedings") by or against any of the Transferor Companies is pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted



and enforced by or against the concerned Transferor Company as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Companies.

9. CONSIDERATION

- 9.1 Upon coming into effect of the Scheme and in consideration of the transfer and vesting of the undertaking of the Transferor Companies in the Transferee Company in terms of Part II of this Scheme, the Transferee Company shall, without any further act or deed, issue and allot equity shares (“New Equity Shares”) to the members of the respective Transferor Companies whose names appear in the register of members of the respective Transferor Companies as on the Record Date in the following manner:
- 9.2 for every 100 fully paid up equity shares of the Transferor Company 1 having face value of INR 10 each and held by the members of the Transferor Company 1 as on record date, 29 equity shares of the Transferee Company having a face value of INR 2 each, credited as fully paid up shall be issued to the members of Transferor Company 1.
- 9.3 for every 100 fully paid up equity shares of Transferor Company 2 having face value of INR 10 each and held by the members of the Transferor Company 2 as on record date, 1142 Equity Shares of the Transferee Company having a face value of INR 2 each, credited as fully paid up shall be issued to the members of Transferor Company 2.
- 9.4 Notwithstanding anything contained in Clause 9.1 above, upon the Scheme coming into effect, all equity shares which the Transferee Company holds in the Transferor Companies (either directly or through nominees) or the Transferor Companies hold amongst each other shall get cancelled without any further application, act or deed, in accordance with provisions of Section 100 to 103 of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the Act will not be applicable. It is clarified that no new equity shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of such shares of the Transferor Companies held inter-se



amongst the Transferor Companies.

- 9.5 Any share of the Transferee Company that is held by the Transferor Companies, to the extent the same has not been transferred prior to the Effective Date, shall, without any further act, document or deed, upon the Scheme becoming effective, be deemed to have been transferred to the Transferee Company pursuant to this Scheme for the express purpose of cancellation, and be so cancelled and there would be no issuance of shares by the Transferee Company in relation to such shares so held.
- 9.6 In the event that the Transferee Company restructures its equity share capital by way of a share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 9.7 The issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Companies shall be deemed to have complied with all provisions of the Act and such other statutes and regulations as may be applicable.
- 9.8 The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall, rank pari passu in all respects with the then existing equity shares of the Transferee Company, including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.
- 9.9 In respect of shareholders entitled for fractional entitlement based on the swap ratio, no fractional shares shall be issued by the Transferee Company and all fractional entitlements will be rounded up to the nearest integer.
- 9.10 The equity shares allotted by the Transferee Company pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the Stock Exchanges and shall be listed and admitted to trading on the relevant Stock Exchange(s) in India, where the existing equity shares of the Transferee Company are listed and admitted to trading.
- 9.11 The new Equity Shares to be issued by the Transferee Company in respect of any equity



shares of the Transferor Companies which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 or otherwise, shall also be kept in abeyance.

10. ACCOUNTING TREATMENT BY THE TRANSFeree COMPANY IN RESPECT OF ASSETS AND LIABILITIES

10.1 The Transferee Company shall account for the Scheme in its books/financial statements upon receipt of all relevant/requisite approvals for the Scheme in accordance with principles laid down in the applicable "Indian Accounting Standard (Ind-AS)" including Ind AS 103 as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the applicable provisions of the Act, and generally accepted accounting principles in India; and-

10.2 Inter-company holdings and balances, if any, between the Transferor Company and the Transferee Company, shall stand cancelled, and shall be accounted in accordance with Clause 10.1

10.3 In case of difference in accounting policy between the Transferee Company and the Transferor Companies, the accounting policy followed by the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the statement of profit and loss to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policy.

10.4 Notwithstanding the above, the Board of Directors of the Transferee Company, in consultation with its statutory auditors, is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed by the Central Government under Section 133 of the Companies Act, 2013 and generally accepted accounting principles.

11. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of Part II of this Scheme, the resolutions and powers of attorney of/executed by the Transferor Companies, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and powers of



attorney passed/ executed by the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of the Transferee Company 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.

PART III

GENERAL TERMS & CONDITIONS

12. DIVIDENDS

12.1 The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending 31st March 2018 and such future accounting periods consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the concerned Parties

12.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Companies or the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Companies and the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Companies and the Transferee Company, as the case may be.

13. CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE

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

13.1.1 the Transferor Companies 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 the assets for and on account of, and in trust for the Transferee Company;

- 13.1.2 all profits or income arising or accruing to the Transferor Companies and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Transferor Companies shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company;
- 13.1.3 all loans raised and all liabilities and obligations incurred by the Transferor Companies after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Transferee Company;
- 13.1.4 The Transferor Companies shall carry on their business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto,
- 13.1.5 The Transferor Companies shall not amend its respective Memorandum of Association or Articles of Association, except with the written concurrence of the Transferee Company, unless required and expressly permitted under this Scheme.
- 13.1.6 The Transferor Companies shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies and to give effect to the Scheme.
- 13.1.7 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Transferee Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Companies, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company shall always be deemed to have been authorized to



execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Transferee Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Transferee Company, pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Transferor Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

14. DISSOLUTION OF TRANSFEROR COMPANIES

On this Scheme becoming effective, the Transferor Companies shall stand dissolved without winding up. On and from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the Registrar of Companies.

15. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

15.1 The Parties shall with dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law and for dissolution of the Transferor Companies without being wound up.

15.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Transferor Companies and Transferee Company may require to own the assets and/or liabilities of the Transferor Companies, and to carry on the business of



the Transferor Companies.

16. MODIFICATION OR AMENDMENTS TO THIS SCHEME

16.1 On behalf of each of the Transferor Companies and the Transferee Company, the Board of the respective companies acting themselves or through authorized persons, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e. the Boards of the Transferor Companies and the Transferee Company) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

16.2 For the purpose of giving effect to this Scheme or to any modification thereof the Boards of the Transferor Companies and the Transferee Company acting themselves or through authorized persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

17. CONDITIONS PRECEDENT

17.1 Unless otherwise decided (or waived) by the relevant Parties and subject to the provisions of Clause 17.2, all parts of the Scheme are conditional upon and subject to the following conditions precedent:

17.1.1 obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;

17.1.2 approval of the Scheme by the requisite majority of each class of shareholders of the Transferor Companies and the Transferee Company and such other classes of persons of the said Companies, if any, as applicable or as may be required under the Act and as may



be directed by the Tribunal;

- 17.1.3 the Parties, as the case may be, complying with the provisions of the SEBI Circular, as applicable, and in particular in compliance with Para (I)(A)(9)(a) of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, which provides for voting by public shareholders through e-voting and disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, , and in particular in compliance with Para (I)(A)(9)(b) of SEBI Circular No. CFD/DIL/3/CIR/2017/21 dated March 10, 2017 which provides that the scheme shall be acted upon only if the votes cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders against it,
- 17.1.4 the sanctions and orders of the Tribunals, under Sections 230 to 232 of the Act being obtained by the Transferor Companies and the Transferee Company;
- 17.1.5 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the concerned Registrar of Companies having jurisdiction over the Parties; and
- 17.1.6 the requisite consent, approval or permission of the Appropriate Authority or any other Person, which by Applicable Law or contract, agreement, may be necessary for the effective transfer of business and/or implementation of the relevant parts of the Scheme.
- 17.2 Without prejudice to Clause 17.1 and subject to satisfaction or waiver of conditions mentioned in 17.1 above, Part II of the Scheme shall be made effective subject to the satisfaction or waiver of conditions mentioned in Clause 17.1.1 by the Boards of the Transferor Companies and the Transferee Company.
- 17.3 It is hereby clarified that submission of this Scheme to the Tribunals and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferor Companies and/ or the Transferee Company may have under or pursuant to all Applicable Laws.
- 17.4 On the approval of this Scheme by the shareholders of the Transferor Companies and the Transferee Company and such other classes of Persons of the said Companies, if any,



pursuant to Clause 17.1, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the amalgamation set out in this Scheme, related matters and this Scheme itself.

18. EFFECT OF NON-RECEIPT OF PERMITS AND MATTERS RELATING TO REVOCATION/ WITHDRAWAL OF THIS SCHEME

18.1 The Transferor Companies and the Transferee Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme: (a) in case any condition or alteration imposed by any Appropriate Authority is unacceptable to any of them; or (b) they are of the view that coming into effect of this Scheme could have adverse implications on the respective companies.

18.2 If this Scheme is not made effective within such period as may be mutually agreed upon between the Transferor Companies and the Transferee Company through their respective Boards or their authorised representatives, this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with this Scheme.

18.3 In the event of revocation or withdrawal under Clause 18.1 or above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

18.4 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 Transferor Companies and the Transferee Company through their respective Boards, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

18.5 Further, it is the intention of the Parties that each part shall be severable from the



remainder of this Scheme and the Scheme shall not be affected if any part of this Scheme is found to be unworkable for any reason whatsoever unless the deletion of such part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in this Scheme or cause such part to be null and void, including but not limited to such part.

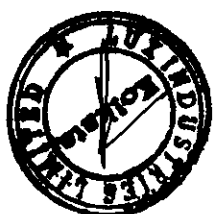
19. INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE TRANSFeree COMPANY

19.1 Upon Part II of the Scheme becoming effective, the authorised share capital of the Transferor Company 1 and Transferor Company 2 will get merged with that of the Transferee Company.

19.2 The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.

19.3 Consequently, clause V of the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act, and be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs. 727,500,000/- (Rupees Seventy Two Crores Seventy Five Lacs only) consisting Rs. 167,500,000/- (Rupees Sixteen Crore Seventy Five Lacs) divided into 8,37,50,000(Eight Crores Thirty seven Lacs Fifty Thousand) equity shares of Rs. 2 (Rupees Two) each and Rs. 56,00,00,000/- (Rupees Fifty Six Crores) divided into 56,00,000 (Fifty Six Lacs) Preference Shares of Rs. 100/- each with such rights, privileges and conditions attaching thereto as are provided by the Regulations of the Article of Association of the Company for time being, with power to increase and decrease the Capital of the Company and to divide the shares in capital for the time being into several classes and to attach thereto respectively such preferential qualified or special rights from time to time and to vary, modify or abrogate any such rights, privileges or conditions attached to any class of shares in such manner as may for the time being be provided by the regulations of the Company."



19.4 It is clarified that the approval of the members of the Transferee Company to this Scheme shall be deemed to be their consent/ approval also to the consequential alteration of their respective memorandum of association pursuant to Clause 19.3 of this Scheme and the Transferee Company shall not be required to seek separate consent/ approval of its

shareholders for such alteration of their memorandum of association pursuant to Clause 19.3 of this Scheme, as required under Sections 13, 14, 61, 64, and other applicable provisions of the Act.

20. COSTS AND TAXES

All costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) of the Parties, respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme shall be borne by the Transferee Company.

21. LISTING AGREEMENT AND SEBI COMPLIANCES:

21.1 Since the Transferee Company is a listed company, this scheme is subject to the compliances of all the requirements under the Listing Regulations and all directions of the Securities Exchange Board of India ("SEBI") insofar as they relate to sanction and implementation of the Scheme.

21.2 The Transferee Company will cause compliance by its Promoters with Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the SEBI Circular No.CFD/DIL3/CIR/2017/21 dated 10th March, 2017 with respect to issuance of shares to the shareholders of the Transferor Companies pursuant to Clauses 9.1 to 9.3 of the Scheme, to the effect that the percentage of shareholding of pre-scheme public shareholders of the Transferee Company in the post-scheme shareholding pattern of the "Transferee" company shall not be less than 25%, at any point in time.



21.3 The Scheme being approved by the public shareholders of the Transferee Company, in compliance with Para (1)(A)(9)(a) of SEBI Circular No. CFD/DIL3/Cir/2017/21 dated March 10, 2017, while providing for voting by public shareholders through e-voting and disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, provided that the Scheme shall be acted upon only if the votes cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders against it, in compliance with Para (1)(A)(9)(b) of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

