

## **DRAFT**

### **SCHEME OF AMALGAMATION**

**SCHEME OF AMALGAMATION BETWEEN (i) TTK PROTECTIVE DEVICES LIMITED (FORMERLY KNOWN AS TTK-LIG LIMITED) AND (ii) TSL TECHNO SERVICES LIMITED AND TTK HEALTHCARE LIMITED UNDER SECTION 391 READ WITH SECTION 394 OF THE COMPANIES ACT, 1956.**

This Scheme of Amalgamation is presented for vesting of-

- (i) TTK Protective Devices Limited, having its Registered Office at No.6, Cathedral Road, Chennai 600 086; and
- (ii) TSL Techno Services Limited (the wholly owned subsidiary company of TTK Protective Devices Limited), having its Registered Office at No.6, Cathedral Road, Chennai 600 086;

as going concerns in TTK Healthcare Limited, having its Registered Office at No.6, Cathedral Road, Chennai 600 086, pursuant to the relevant provisions of the Companies Act, 1956.

#### **PREAMBLE**

**TTK Protective Devices Limited (TTKPD)** is an unlisted public company and is a constituent of the TTK Group and **TSL Techno Services Limited (TSL)**, a wholly owned subsidiary of TTKPD.

**TTK Healthcare Limited (TTKHC)**, a listed public company, is also a constituent of the TTK Group.

TTKPD has been in the business of contraceptive devices for nearly five decades. TTKPD is the owner of the state-of-the-art condom manufacturing facilities in India. It is a global leader in condom technology encompassing product development, process development, manufacturing processes, condom making machinery, etc. and has several quality accreditations from international agencies.

TTKHC has close to six decade experience in manufacturing, sourcing, marketing and distribution of pharmaceutical products as well as consumer products. It has nationwide presence in these segments. It also has the capability to tap global markets. TTKHC has been distributing the domestic brands of TTKPD for over two decades. It is considered desirable that TTKHC should be in the condom business in all its facets encompassing product development, manufacturing, marketing and distribution than being a mere distributor. The integration of manufacturing, technology, etc., with marketing and distribution will bring in more focus to the overall business.

The pooling of the various talents including R&D under one company will enable maximization of business. There are business, management and operational synergies which if combined will pave way for better utilization of all the resources – people, manufacturing assets, financial assets, intellectual properties and eliminate duplication of overheads resulting in improved profitability. Hence it is considered

that it will be beneficial to all stakeholders if TTKPD becomes part of TTKHC. This is sought to be achieved by this Scheme of Amalgamation.

As part of the Scheme of Amalgamation, a Special Contingency Reserve will be created from the General Reserve in the books of TTKHC for meeting re-organisation expenditure or crystallization of any contingent liabilities that may occur or be incurred after the Appointed Date relating to the undertaking of TTKPD and TSL being vested in TTKHC.

## PART I - PRELIMINARY

### 1. Definitions:

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

- 1.1 **“the Act”** means the Companies Act, 1956, or any statutory modifications or reenactment thereof for the time being in force.
- 1.2 **“the Appointed Date”** means 1<sup>st</sup> April, 2012 or such other date as may be fixed by the Hon'ble High Court of Judicature at Madras.
- 1.3 **“the Board of Directors”** or **“Board”** shall mean the Board of Directors or any Committee thereof of the Transferor Companies and Transferee Company.
- 1.4 **“the Effective Date”** means the date on which certified copies of the Order(s) of the Hon'ble High Court of Judicature at Madras sanctioning the Scheme are filed with the Registrar of Companies, Chennai after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefor.
- 1.5 **“the Transferor Companies”** means TTK Protective Devices Limited, an unlisted Public Company incorporated under the Act, and having its Registered Office at No 6, Cathedral Road, Chennai 600 086 and TSL Techno Services Limited, wholly owned subsidiary of TTK Protective Devices Limited, having its Registered Office at No.6, Cathedral Road, Chennai 600086.
- 1.6 **“the Transferee Company”** means TTK Healthcare Limited, a listed public Company incorporated under the Act and having its Registered Office at No.6, Cathedral Road, Chennai 600 086.
- 1.7 **“Undertaking”** shall mean the Undertaking and the entire business of the Transferor Companies as on the Appointed Date including-
  - (a) all the assets and properties of the Transferor Companies as on the Appointed Date (hereinafter referred to as **“the said assets”**);

- (b) all the debts, secured and unsecured liabilities, duties and obligations of the Transferor Companies as on the Appointed Date along with any charge, encumbrance, lien or security connected therewith (hereinafter referred to as “**the said liabilities**”).

Without prejudice to the generality of the Sub-clause (a) and (b) above, the Undertaking of the Transferor Companies shall include all the Transferor Companies' reserves, movable and immovable properties, assets, tangible and intangible, including lease-hold rights, tenancy rights, industrial and other licences, permits, authorizations, quota rights, trade marks, goodwill, patents, letters of intent, investment in shares and otherwise, raw materials, work-in-process, stores and spares, stock in trade, finished goods, plant and machinery, goods in transit, advances of all kinds, book debts, outstanding monies, recoverable claims, agreements and other industrial and intellectual properties, import quotas, telephones, telex, facsimile and other communication facilities and equipments, rights and benefits of all agreements, approvals, sanctions and all other interests, rights and powers of every kind, nature and description whatsoever privileges, liberties, easements, advantages, benefits and approvals and all debts, receivables, liabilities and duties of the Transferor Companies and all other obligations of whatsoever kind including liabilities for payment of gratuity, superannuation benefits, provident fund and compensation in the event of retrenchment. Provided that to the extent that there are any loans, outstanding or balance due from the Transferor Companies to the Transferee Company or vice versa, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company. Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefor after the amalgamation has become effective or otherwise.

- 1.8 “**the Scheme**” means this Scheme of Amalgamation in its present form or with any modification(s) as may be approved or imposed or directed by the Hon'ble High Court of Judicature at Madras.

## 2. SHARE CAPITAL

### 2.1 TTK Protective Devices Limited and TSL Techno Services Limited — The Transferor Companies

- (a) The Share Capital of TTK Protective Devices Limited as of 31<sup>st</sup> March, 2012 is as under:

	<u>Amount in Rs.</u>
<b><u>Authorised Share Capital</u></b>	
30,00,000 Equity Shares of Rs.10/- each	3,00,00,000
<b><u>Issued, Subscribed &amp; Paid-Up Capital</u></b>	
14,14,300 Equity Shares of Rs. 10/- each	1,41,43,000

(b) The Share Capital of TSL Techno Services Limited as of 31<sup>st</sup> March, 2012 is as under:

	<b><u>Amount in Rs.</u></b>
<b><u>Authorised Share Capital</u></b>	
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000
<b><u>Issued, Subscribed &amp; Paid-Up Capital</u></b>	
8,00,020 Equity Shares of Rs. 10/- each	80,00,200

## **2.2 TTK Healthcare Limited — The Transferee Company**

The Share Capital of the Transferee Company as of 31<sup>st</sup> March, 2012 is as under:

	<b><u>Amount in Rs.</u></b>
<b><u>Authorised Share Capital</u></b>	
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000
<b><u>Issued, Subscribed &amp; Paid-Up Capital</u></b>	
77,65,983 Equity Shares of Rs. 10/- each	7,76,59,830

## **PART II - THE SCHEME**

### **1. OPERATIVE DATE OF THE SCHEME**

Although the Scheme comes into operation from the Appointed Date, it shall become effective only from the Effective Date.

### **2. TRANSFER OF UNDERTAKING**

2.1 With effect from the Appointed Date and subject to the provisions of this Scheme the entire Undertaking of the Transferor Companies shall be and shall stand, without any further act, deed, matter, thing or order, transferred to and vested in or be deemed to be and stand transferred to and vested in the Transferee Company, pursuant to Section 394 and other applicable provisions of the Act, so as to become as and from the Appointed Date, the estates, assets, rights, title and instruments of the Transferee Company.

2.2 Within seven days of the Order(s) of the Hon'ble High Court of Judicature at Madras approving the scheme:

2.2.1 all the movable assets of the Transferor Companies including the plant and machinery, cash on hand, and all other corporeal movable assets shall be physically handed over by physical delivery to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such delivery.

- 2.2.2 in respect of movable assets other than those specified in Sub-clause 2.2.1 above including sundry debtors, outstanding loans, bank balances and deposits, the following modus operandi shall be followed:
- (a) the Transferor Companies shall give notice in such form, as it may deem fit and proper to each party, debtor or depositee, as the case may be, that pursuant to the Scheme, the said debt, loan, advance, etc., 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 realize the same stands extinguished;
  - (b) the Transferee Company shall also give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the said Scheme, the said person, debtor or depositee should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realize the same is in substitution of the right of the Transferor Companies.
- 2.2.3 In relation to other assets belonging to Transferor Companies, which require separate documents for transfer or which the Transferor Companies and/or the Transferee Company otherwise desire to be transferred separately, the Transferor Companies and the Transferee Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.
- 2.2.4 In respect of such of the said assets and liabilities other than those referred to in 2.2.1 to 2.2.3 above, 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.
- 2.3 With effect from the Appointed Date, all the said liabilities of the Transferor Companies shall, without any further act, deed, matter, thing or order, pursuant to Section 394 and other applicable provisions of the Act, be transferred to and deemed to be transferred to and become the debts, liabilities, duties and obligations of the Transferee Company and the Transferee Company shall discharge all such debts, liabilities of the Transferor Companies including the payment of all taxes, levies, duties, public charges, income tax and sales tax and further that it shall not be necessary to obtain consent of any third party or any other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

### **3. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

- 3.1 Subject to other provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements, instruments and writings and benefits of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be

eligible and which are subsisting or having effect immediately before the Effective Date and subject to such changes and variations in the terms, conditions and provisions thereof, as may be mutually agreed to between the Transferee Company and other parties thereto shall remain in full force and effect in favour of the Transferee Company and may be enforced by and/or against the Transferee Company as fully and effectively as if the Transferee Company was party thereto instead of Transferor Companies. The Transferee Company shall, whenever necessary, enter into and/or issue and/or execute deeds, writings or confirmations at any time prior to the Effective Date, enter into any tripartite arrangements, confirmations or novations to which the Transferor Companies will, if necessary, also be a party to in order to give formal effect to the provision of this Clause.

- 3.2 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised 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 to be carried out or performed.

#### **4. LEGAL PROCEEDINGS**

- 4.1 Upon coming into effect of this Scheme, all suits, appeals, actions or other proceedings of whatever nature (hereinafter called “**the Proceedings**”) by or against the Transferor Companies pending and / or arising prior to the Effective Date shall be continued, prosecuted and be 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 Transferor Companies as if the same had been pending and/or arising by or against the Transferee Company.
- 4.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies referred to in Clause 4.1 above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

#### **5. TRANSFEROR COMPANIES' STAFF, WORKMEN AND EMPLOYEES**

- 5.1 All the staff, workmen and employees in the service of the Transferor Companies immediately preceding the Effective Date shall become the staff, workmen and employees of the Transferee Company on and from the Effective Date on the basis that:
- (a) their services shall be deemed to have been continuous and not have been interrupted by reason of the said transfer of the Undertaking;

- (b) the terms and conditions of service applicable to such employees after such transfer shall not in any way be less favourable than those applicable to them immediately preceding the said transfer;
- (c) it is expressly provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund created or existing for the benefit of the staff, workmen and employees of the Transferor Companies are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such funds or in relation to the obligation to make contribution to the said funds in accordance with the provisions of such Funds as per the terms and conditions provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers and obligations of the Transferor Companies in relation to such Funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in different units of the Transferor Companies under such Funds and Trusts shall be protected. It is clarified that the services of such employees of the Transferor Companies will be treated as having been continuous and not interrupted for the purposes of the aforesaid Funds or provisions.

**6. CONDUCT OF BUSINESS OF UNDERTAKING BY THE TRANSFEROR COMPANIES UNTIL EFFECTIVE DATE**

6.1 With effect from the Appointed Date and up to and including the Effective Date, the Transferor Companies shall:

- (a) carry on and be deemed to carry on the business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Companies or losses arising or incurred by it shall for all purposes be treated as the profits or losses of the Transferee Company, as the case may be;
- (b) carry on its business and activities with reasonable diligence and business prudence and shall not without the prior written consent of the Transferee Company undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its Subsidiaries or Group Companies or any third party or alienate, charge, mortgage, encumber or otherwise deal with or dispose of the said Undertaking or any part thereof except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken by the Transferee Company prior to the Effective Date;
- (c) pay all statutory dues (including advance tax) relating to the Undertaking for and on account of the Transferee Company;
- (d) not, without the prior written consent of the Transferee Company:

- (i) vary the terms and conditions of the employment of its employees except in the ordinary course of business;
  - (ii) undertake any new business;
  - (iii) declare any dividend;
  - (iv) issue any new shares by way of rights, bonus or otherwise;
  - (v) increase, decrease, reduce, reclassify, sub-divide, reorganize, consolidate its capital structure
- (e) the Transferee Company shall be entitled to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law, contract or are otherwise considered necessary for such consents, approvals and sanctions which the Transferee Company may require to effectually own and operate the Transferor Companies.

## **7. AUDITED ACCOUNTS**

- 7.1 The Accounts of the Transferor Companies and the Transferee Company have been made up to 31<sup>st</sup> March, 2012.

## **8. ACCOUNTING TREATMENT**

- 8.1 With effect from the Effective Date and subject to any corrections and adjustments as may in the opinion of the Board of Directors of the Transferee Company be required, the Revenue Reserves of the Transferor Companies shall be merged with the Revenue Reserves of the Transferee Company. As part of the Scheme, a Special Contingency Reserve of Rs.20,00,00,000/- (Rupees Twenty crores only) will be created from General Reserve in the books of the Transferee Company. The Special Contingency Reserve will be utilized for meeting re-organization expenditure or crystallization of any contingent liabilities that may occur or be incurred after 1<sup>st</sup> April, 2012 relating to the undertaking of the Transferor Companies being vested in the Transferee Company. At the discretion of the Board Directors of the Transferee Company, after a period of three years from the Effective Date, any unutilized portion of the Special Contingency Reserve can be transferred to the free reserves of the Transferee Company.
- 8.2 The Equity Shares issued by the Transferee Company shall be recorded at par value in the books of the Transferee Company. The assets and liabilities comprised in the undertaking of the Transferor Companies will be reflected in the books of the Transferee Company in accordance with the method of accounting as determined by the Board of Directors of the Transferee Company subject to the applicable Accounting Standards.
- 8.3 Further, in case of any differences in accounting policy between the Companies, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s)



mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

## **9. ISSUE AND ALLOTMENT OF SHARES BY THE TRANSFEREE COMPANY**

- 9.1 Upon the Scheme taking effect and upon the transfer to and vesting of the Undertaking of the Transferor Companies in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of this Scheme and without any further application or deed issue at par and allot 9 (Nine) Equity Shares of Rs.10/- each credited as fully paid in the Capital of Transferee Company, to the Shareholders of the TTK Protective Devices Limited (TTKPD) whose names appear in its Register of Members on a date (Record Date) to be fixed by the Board of Directors of the Transferee Company, for every 2 (Two) Equity Share of Rs.10/- each fully paid-up held by the said Shareholders in TTKPD. No allotment shall be made to the shareholders of TSL Techno Services Limited it being the wholly owned subsidiary of TTK Protective Devices Limited, the value of TSL Techno Services Limited having already been considered as part of the valuation of TTK Protective Devices Limited. This allotment shall take effect notwithstanding provisions of Section 81 of the Act.
- 9.2 For the purpose of such allotment of shares mentioned in Clause 9.1 above, fractional entitlements, if any, shall be ignored.
- 9.3 Provided however, that no such allotment shall be made in respect of any Equity Shares held by the Transferee Company or its Subsidiary Company/ies in the Share Capital of the Transferor Companies. Such shares shall be cancelled.
- 9.4 The Equity Shares to be allotted as aforesaid shall rank for dividend, voting and all other rights *pari passu* with the existing Equity Shares of the Transferee Company provided they shall not qualify for dividend declared in respect of the period prior to their allotment.
- 9.5 The Shareholders of the Transferor Companies shall surrender their Share Certificates held by them in the Transferor Companies for cancellation thereof to the Transferee Company. In default thereof, upon the new shares in the Transferee Company being issued and allotted by it to the Shareholders of the Transferor Companies, the Share Certificates in relation to the shares held by them in the Transferor Companies shall be cancelled and shall be deemed to have been cancelled without any further act, deed, matter or thing.
- 9.6 For the purposes as aforesaid, the Transferee Company shall, if and to the extent required, apply in and obtain the requisite consent or approval of the Reserve Bank of India and other Appropriate Authorities concerned, for the issue and allotment by the Transferee Company to the respective non-resident members of the Transferor Companies of the Equity Shares of the Transferee Company in the ratio aforesaid.

## **10. APPLICATIONS TO THE HON'BLE HIGH COURT OF JUDICATURE AT MADRAS**

- 10.1 On this Scheme being approved by the requisite majority of Shareholders of the Transferor Companies and the Transferee Company respectively representing the required value, the

Transferor Companies and the Transferee Company shall, with reasonable despatch, apply under Sections 391 and 394 of the Act, to the Hon'ble High Court of Judicature at Madras for sanctioning the Scheme and for such further order(s) there under as the Hon'ble High Court of Judicature at Madras may deem fit for carrying the Scheme into effect.

## **11. AUTHORISED SHARE CAPITAL / OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION**

11.1 Upon the Scheme becoming effective, the Authorised Share Capital of the Transferor Companies shall stand combined with the Authorised Share Capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Companies on its Authorised Share Capital, shall be deemed to have been so paid by the Transferee Company on the combined Authorised Share Capital and accordingly, the Transferee Company shall not be required to pay any fee / stamp duty for the combined Authorised Share Capital.

11.2 On combination of the Authorised Share Capital as mentioned in 11.1 above, the Authorised Capital of the Transferee Company shall further stand increased to Rs.20,00,00,000/- (Rupees Twenty crores only) divided into 2,00,00,000 (Two crores) Equity Shares of Rs 10/- each and the Transferee Company shall pay the applicable fees, on the increase in Share Capital beyond the combined Authorised Share Capital as mentioned in 11.1 above, to the Registrar of Companies on the Scheme becoming effective.

Accordingly, the Capital Clause in the Memorandum of Association of the Transferee Company shall stand revised as below:

**“5. The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty crores only) divided into 2,00,00,000 (Two crores) Equity Shares of Rs.10/- each with such rights, privileges and conditions, respectively attached thereto, as may be, from time to time, conferred by the Regulations of the Company with power from time to time to increase or reduce its Capital and to divide the shares in the Capital for the time being into several classes and to attach thereto, respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.”**

Similarly, Clause 3 in the Articles of Association of the Transferee Company shall stand revised as below:

### **Amount of Capital**

**3. The Authorised Share Capital of the Company is Rs.20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two crores) Equity Shares of Rs.10/- each with such rights, privileges and conditions, respectively attached thereto, as may be, from time to time, conferred by the Regulations of the Company with power**

from time to time to increase and/or reduce its Capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may, for the time being be provided by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf.

11.2 With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of Memorandum of Association of the Transferee Company be altered and amended by inserting following new sub-clauses [1G] to [1M] immediately after the existing sub-clause [1F] under Clause 3[1] of the Memorandum of Association of the Transferee Company, as below:

- “[1G] To establish and carry on all or any of the business of manufacturers of and dealers in all descriptions of contraceptives and prophylactics, like sheaths, leathers, gellies, diaphragms, caps, contraceptive tablets and things of like nature.**
- [1H] To carry on all or any of the businesses of manufacturers of and dealers in birth control equipments and appliances and instruments and accessories thereto.**
- [1I] To carry on all or any of the business of manufacturers of and dealers in rubber, nylon, plastics, medicinal and surgical equipments, appliances, instruments and fittings.**
- [1J] To establish and carry on all or any of the business of manufacture, fabrication or otherwise dealing in Machinery, Equipments, apparatus or utilities for manufacture of all description of contraceptives and prophylactics, medical and surgical devices and disposables.**
- [1K] To establish, provide, maintain and undertake and conduct scientific and technical research laboratories for latex and other allied products.**
- [1L] To provide technical know-how and consultancy services in relation to manufacture, marketing and development of all descriptions of contraceptives and prophylactics, medical and surgical devices and disposables.**
- [1M] To maintain and run Rubber Plantations tapping and processing latex for condom manufacturing”.**

11.3 The above shall be effected as an integral part of the Scheme and shall be deemed to be in due compliance of the applicable provisions of the Act.

11.4 The approval of this Scheme under Sections 391 and 394 of the Act shall be deemed to have the approval under Sections 16, 31, 94, 97 and other applicable provisions of the Act and any other consents and approvals required in this regard.

## **12. GENERAL TERMS & CONDITIONS**

12.1 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Companies from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the Revenue Authorities and including the right to carry forward of accumulated losses, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and credits pertaining to indirect taxes such as Cenvat credit, VAT credit, etc., of the Transferee Company.

12.2 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, MAT credit, benefit of carried forward losses and other statutory benefits, including in respect of income tax, excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, etc., to which the Transferor Companies are entitled to shall be available to and vest in the Transferee Company.

12.3 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

## **13. MODIFICATIONS OR AMENDMENTS TO THE SCHEME**

13.1 The Transferor Companies and the Transferee Company through their respective Board of Directors or persons authorised by the respective Board of Directors may in their full and absolute discretion assent to any modifications or amendments to the Scheme or agree to any terms and/or conditions which the Hon'ble High Court of Judicature at Madras and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect or review the position relating to satisfaction of conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law). The aforesaid powers of the Transferor Companies and the Transferee Company may be exercised by their respective Board of Directors, a Committee or Committees of the concerned Board or any Directors authorised in that behalf by the concerned Board of Directors. In the event that any modification or

amendment to the Scheme is unacceptable to the Transferor Companies and/or the Transferee Company for any reason whatsoever the Transferor Companies and/or the Transferee Company shall be entitled to withdraw from the Scheme.

13.2 The Board of Directors of the Transferor Companies and the Transferee Company are hereby authorised to do all acts, deeds and things and to give such directions and/or to take such steps, as may be necessary or desirable for the purpose of giving effect to this Scheme or to any modification or amendment thereof or any addition(s) thereto, including any directions for settling any question or doubt or difficulty whatsoever that may arise in relation to the Scheme 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 the Scheme.

#### **14. DISSOLUTION WITHOUT WINDING UP**

14.1 Upon this Scheme being sanctioned by the Hon'ble High Court of Judicature at Madras under Section 394 of the Act and on its becoming effective, the Transferor Companies shall be dissolved without winding up with effect from the Appointed Date or such other date as may be fixed by the Hon'ble High Court of Judicature at Madras.

14.2 The Transferor Companies until its dissolution under this Scheme is fully implemented and the Transferee Company shall have liberty to apply to the Hon'ble High Court of Judicature at Madras for such directions as may be necessary for implementing the Scheme as sanctioned by the Hon'ble High Court of Judicature at Madras.

### **PART III - GENERAL**

#### **1. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**

1.1 This Scheme is conditional on and subject to:

- (a) the approval of the Shareholders of both the Transferor Companies and Transferee Company by requisite majority;
- (b) the sanction of the Hon'ble High Court of Judicature at Madras under Section 391 and 394 of the said Act, in favour of the Transferor Companies and the Transferee Company and to the necessary Order(s) under Section 394 of the said Act, being obtained;
- (c) the certified copies of the Order(s) of the Court referred to in this Scheme being filed with the Registrar of Companies, Chennai;
- (d) such other sanctions and approvals as may be required by law.

## **2. WHEN SCHEME TO BECOME NULL AND VOID**

2.1 In the event of any of the sanctions and approvals enumerated in Clause 1.1 of this Part not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court of Judicature at Madras and/or the Order(s) not being passed as aforesaid on or before 31<sup>st</sup> March, 2015 or within such further period or periods as may be agreed upon between the Transferor Companies and the Transferee Company through their respective Boards of Directors, the 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 the Scheme of Amalgamation.

## **3. COSTS AND EXPENSES**

3.1 Subject to Clause 2.1 of this Part, all costs, charges and expenses of the Transferor Companies and the Transferee Company respectively in relation to or in connection with this Scheme and of carrying out and completing the terms and provisions of this Scheme and/or incidental to the completion of amalgamation of the said Undertaking of the Transferor Companies in pursuance of this Scheme shall be borne and paid solely by the Transferee Company.

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