

COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

AMONGST

DVK INVESTMENTS PRIVATE LIMITED

(Transferor Company 1)

AND

AEGEAN PROPERTIES LIMITED

(Transferor Company 2)

AND

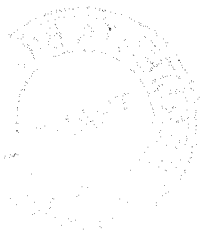
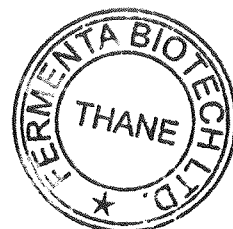
FERMENTA BIOTECH LIMITED

(Transferee Company)

AND

THEIR RESPECTIVE SHAREHOLDERS

(Under Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013 and rules framed thereunder)



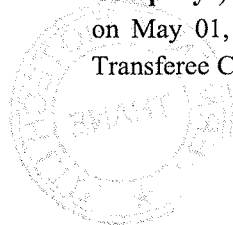
INTRODUCTION, BACKGROUND AND RATIONALE

This Composite Scheme of Amalgamation and Arrangement (“**Scheme**”) is presented pursuant to the provisions of Sections 230 – 232, and other relevant provisions of the Companies Act, 2013, as may be applicable, and Section 2(1B) and other relevant provisions of the Income-tax Act, 1961, as applicable for the

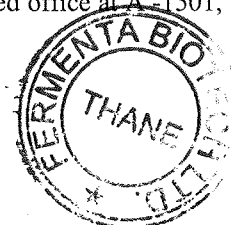
- Amalgamation (*as defined hereinafter*) of the Transferor Company 1 (*as defined hereafter*) and the Transferor Company 2 (*as defined hereafter*) with the Transferee Company (*as defined hereafter*);
- the cancellation of equity share capital to the extent held by the Transferor Company 1 in the Transferee Company; and
- various other matters incidental, consequential or otherwise integrally connected therewith.

1. Background of the Companies

- 1.1. DVK Investments Private Limited (hereinafter referred to as “**DVK**” or the “**Transferor Company 1**”), is an unlisted private company, limited by shares, incorporated under the Companies Act, 1956 on August 11, 2003, under corporate identity number U67120MH2003PTC141695. The Transferor Company 1 holds PAN AACCD0356K, and has its registered office at A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) – 400610. The Transferor Company 1 was originally incorporated under the name of Vasant Kumar Investment Services Private Limited and subsequently on September 17, 2004, the name was changed to DVK Investments Private Limited. The Transferor Company 1 is a non-systemically important, non-deposit taking, non-banking finance company (as defined under the Non-Systemically Important Non-Deposit Taking Company (Reserve Bank) Directions, 2016, dated 01.09.2016, as amended). Furthermore, it holds 51.22% (*as on March 31, 2021*) of the equity share capital of the Transferee Company.
- 1.2. Aegean Properties Limited (hereinafter referred to as “**APL**” or the “**Transferor Company 2**”), is an unlisted public company, limited by shares, incorporated under the Companies Act, 1956 on January 19, 1995, under the corporate identity number U45200MH1995PLC084766. The Transferor Company 2 holds PAN AAECA9946Q, and has its registered office at A-1401, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) – 400610. The Transferor Company 2 is engaged in the business of renting of properties. The entire paid-up share capital of the Transferor Company 2 is held by the Transferee Company.
- 1.3. Fermenta Biotech Limited (hereinafter referred to as “**FBL**” or the “**Transferee Company**”) is a company limited by shares, incorporated under the Companies Act, 1913 on May 01, 1951, under corporate identity number L99999MH1951PLC008485. The Transferee Company holds PAN AAACD0525E and has its registered office at A-1501,



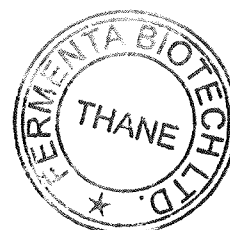
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Thane One, DIL Complex, Ghodbunder Road Majiwade, Thane (West) – 400610. The Transferee Company was originally incorporated under the name International Franchises Private Limited. In 1971, its name was changed to Crookes Interfran Limited which was further changed to Duphar Interfan Limited and to DIL Limited in 2001. Furthermore, on September 26, 2019, pursuant to the merger of Fermenta Biotech Limited (an erstwhile subsidiary of the Transferee Company) with the Transferee Company, the name of the Transferee Company was changed from DIL Limited to Fermenta Biotech Limited. The equity shares of the Transferee Company are listed on the stock exchange of the BSE Limited (Bombay Stock Exchange) (“BSE”). FBL is engaged in the business of manufacturing and marketing of chemicals, active pharmaceutical ingredients, enzymes, pharmaceutical formulations and environmental solution products and is also engaged in the business of renting of properties.

2. Rationale of the Scheme

- 2.1. The Transferee Company and the Transferor Company 1 and the Transferor Company 2 are desirous of amalgamating the Transferor Company 1 and Transferor Company 2 as a going concern with the Transferee Company in accordance with sections 230 to 232, and/or other applicable provisions of the Companies Act, 2013.
- 2.2. The Amalgamation of the Transferor Companies with the Transferee Company is sought to be undertaken to achieve the following benefits.
- (i) Simplification of the group structure and consolidation of legal entities;
 - (ii) Reducing the number of legal entities, resulting into lesser administrative and regulatory compliances;
 - (iii) Simplification of the shareholding structure and reduction of shareholding tiers thereby providing greater transparency in relation to the Promoters’ direct engagement with the Transferee Company;
 - (iv) Improved allocation of capital and optimization of cash flows contributing to the overall growth prospectus of the combined entity;
 - (v) Creation of a larger asset base by consolidation of the assets and facilitation of access to better financial resources;
 - (vi) The Transferee Company would benefit from freeing up of management time, and related cost savings, as the simplification of the group structure would reduce intra-group transaction reporting requirements that apply to the Transferee Company
 - (vii) Enable greater / enhanced focus of the management on the business; and



(viii) Creating enhanced value for Transferee Company's shareholders and allow a focused strategy in operations, which would be in the best interest of all its shareholders, creditors and all other stakeholders.

- 2.3. There would be no change in the paid-up share capital of the Transferee Company, pursuant to the amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company.
- 2.4. By virtue of the Scheme coming into effect, there would neither be any adverse change in the financial position of the Transferee Company nor would there be any change in control over the Transferee Company, as the existing shareholders of the Transferor Company 1 will continue to jointly exercise control over the Transferee Company in a similar manner as they are controlling currently through Transferor Company 1. Further, the shareholders of the Transferor Company 1 shall indemnify the Transferee Company and keep the Transferee Company indemnified from and against any liability, claim or demand of the Transferor Company 1 that may devolve on the Transferee Company on account of the Amalgamation.

3. **Parts of the Scheme**

The following provisions of the Scheme are divided into the following parts.

- 3.1. Part I: The first part of the Scheme contains definitions and provisions on interpretation and construction, which are common to all parts of the Scheme (including this section that contains the Introduction, Background and Rationale), the date on which the Scheme shall enter into operation (subject to Applicable Law), and details on the capital structure of the Transferor Company 1 and the Transferor Company 2 and the Transferee Company.
- 3.2. Part II: Part II contains details of the Amalgamation in relation to the merger of the Transferor Company 1 and Transferor Company 2 respectively into the Transferee Company, and the related transfer of all assets and liabilities of the Transferor Company 1 and Transferor Company 2, respectively, to the Transferee Company, and the vesting of the said assets and liabilities in the Transferee Company.
- 3.3. Part III: The final part of the Scheme contains general terms and conditions applicable to this Scheme.

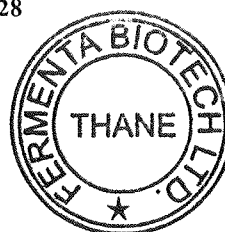


PART I: DEFINITIONS, INTERPRETATION, & ENTRY INTO OPERATION

4. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings given below.

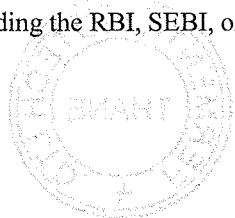
- 4.1. **“Act” or “Companies Act”** means the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable rules and regulations, for time being in force, if any, including any statutory modification or re-enactment thereof. References in this Scheme to particular provisions of the Act shall be deemed to mean and include references to particular provisions of the Companies Act, 2013 or the applicable rules and regulations thereunder, unless stated otherwise.
- 4.2. **“Amalgamation”** means the merger of the Transferor Company 1 and Transferor Company 2 into the Transferee Company, pursuant to Sections 230 – 232 and other relevant provisions of the Act, and in compliance with the provisions of Section 2 (1B) and other relevant provisions of the Income-tax Act, 1961, pursuant to this Scheme and in accordance with other provisions of Applicable Law.
- 4.3. **“Applicable Law(s)”** means any statute, law, regulation, ordinance, rule, judgment, order, resolution, decree, by-law, clearance, approval, directive, guideline, policy, requirement or any similar form of decision of, or determination by, or any interpretation or adjudication by any Governmental Authority or any concerned authority having jurisdiction over the matter in question, whether in effect as on the date on which this Scheme is approved by the respective Boards of Directors of the Companies, or any time thereafter, and having the force of law.
- 4.4. **“Appointed Date”** means the Effective Date or such other date as may be fixed or approved by the NCLT or such other competent authority.
- 4.5. **“Board of Directors” or “Board”** means the board of directors of the Transferor Company 1, and/or of the Transferor Company 2, and/or of the Transferee Company, as the context may require, and shall, unless it be repugnant to the context thereof, include a committee of each such Board, or any person authorized by the relevant Board.
- 4.6. **“BSE”** means the BSE Limited.
- 4.7. **“Companies”** mean collectively the Transferor Company 1, the Transferor Company 2 and the Transferee Company, or any two of them as the context requires.
- 4.8. **“Contracts”** with respect to a Person, means any agreement, contract, undertaking, or legally binding commitment entered into by such Person.
- 4.9. **“Effective Date”** means the date on which the Scheme shall become effective upon the filing, as contemplated under clause 18.1(vi) hereof, of certified copies of the order of the



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NCLT approving the Scheme. Any references in this Scheme to “*coming into effect of this Scheme*” or “*upon this Scheme becoming effective*” or “*effectiveness of this Scheme*” or “*after this Scheme becomes effective*” means and refers to the Effective Date.

- 4.10. “**Indemnified Persons**” mean the Transferee Company, and its directors, and officers, excluding the Promoters.
- 4.11. “**Indemnifying Parties**” shall mean the shareholders of the Transferor Company 1.
- 4.12. “**Governmental Authority**” means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.
- 4.13. “**NCLT**” means the National Company Law Tribunal, Mumbai Bench, at Mumbai having jurisdiction over all of the Companies.
- 4.14. “**New Equity Shares**” has the meaning given in clause 9.1 of this Scheme.
- 4.15. “**Net Assets**” means, in relation to each of the Transferor Company 1 and Transferor Company 2, as the case may be the difference between the book value of their respective assets transferred over the book value of their respective liabilities and reserves.
- 4.16. “**Promoters**” / “**Promoter Group**” shall mean such person or persons who are included in the category of “promoter” and/or “promoter group” of the Transferee Company, in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 4.17. “**Public**” has the meaning given in rule 2(d) of the Securities Contracts (Regulation) Rules, 1957 and the term “**Public Shareholders**” (when used in relation to the Transferee Company) shall be construed accordingly.
- 4.18. “**Record Date**” means the date to be fixed by the respective Boards of Directors of the Transferor Company 1 and of the Transferee Company, for the purpose of determining the members of the Transferor Company 1 to whom equity shares of Transferee Company will be allotted pursuant to this Scheme.
- 4.19. “**RoC**” means the Registrar of Companies, Maharashtra at Mumbai having jurisdiction over all of the Companies.
- 4.20. “**Scheme**” means this composite scheme of amalgamation and arrangement, for the merger of the Transferor Company 1 and the Transferor Company 2 into the Transferee Company, with such modification(s), if any made, in accordance with the terms hereof or the directions / observations of Stock Exchanges, or any other Governmental Authority, including the RBI, SEBI, or NCLT, and as approved by the NCLT.

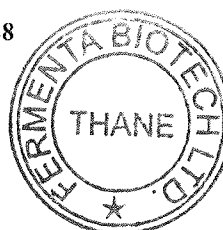



- 4.21. “SEBI” means the Securities and Exchange Board of India.
- 4.22. “SEBI Scheme Circular” means the SEBI ‘Master Circular on (i) Scheme of Arrangement by Listed Entities, and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957,’ dated November 23, 2021, bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665.
- 4.23. “Share Exchange Report” shall mean the registered valuer report on the share exchange ratio dated January 29, 2022, issued by Mr. Niranjana Kumar, Registered Valuer – Securities or Financial Assets (Registered ID Number: IBBI/RV/06/2018/10137).
- 4.24. “Stock Exchanges” means the BSE, and/or any other stock exchange(s) having nationwide terminals, where the shares of the Transferee Company are listed.
- 4.25. “Transferee Company” or “FBL” or “Fermenta Biotech Limited” means Fermenta Biotech Limited, a listed public company, limited by shares, incorporated under the Companies Act, 1913, on May 1, 1951, under corporate identity number L99999MH1951PLC008485, holding PAN AAACD0525E, and with its registered office at A -1501, Thane One, DIL Complex, Ghodbunder Road Majiwade, Thane (West) – 400610.
- 4.26. “Transferor Company 1” or “DVK” or “DVK Investments Private Limited” means DVK Investments Private Limited, an unlisted private company, limited by shares, incorporated under the Companies Act, 1956, on August 11, 2003, under corporate identity number U67120MH2003PTC141695, holding PAN AACCD0356K, and with its registered office at A-1601, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) – 400610.
- 4.27. “Transferor Company 2” or “APL” or “Aegean Properties Limited” means Aegean Properties Limited, an unlisted public company, limited by shares, incorporated under the Companies Act, 1956, on January 19, 1995, under corporate identity number U45200MH1995PLC084766, holding PAN AAECA9946Q, and with its registered office at A-1401, Thane One, DIL Complex, Ghodbunder Road, Majiwade, Thane (West) – 400610.
- 4.28. “Transferor Companies” mean, collectively, Transferor Company 1 and Transferor Company 2.

5. INTERPRETATION & CONSTRUCTION

Unless otherwise expressly specified, or the context otherwise necessarily requires, the following terms shall apply to the interpretation and construction of this Scheme.

- 5.1. The terms ‘hereof’, ‘herein’, ‘hereby’, ‘hereto’ and derivative or similar words used in this Scheme refers to this entire Scheme.



- 5.2. Terms, words and expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other Applicable Laws, as the case may be.
- 5.3. The headings and captions in this Scheme are for convenience and identification only and shall not affect the interpretation or construction of this scheme.
- 5.4. Any reference to a statute, or any provision of a statute shall include that statute or provision as well as any rule, regulation, notification, circular, or direction made or issued pursuant to such statute or provision, as may be from time to time modified or re-enacted, whether prior to or after the date on which this Agreement is signed.
- 5.5. References to the singular shall include references to the plural and vice versa. Words denoting one grammatical gender shall include all grammatical genders.
- 5.6. References to “include” or “including” shall mean “include without limitation” and “including without limitation” respectively.

6. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme in its present form, or with any modification(s) approved or imposed or directed by the NCLT, as the case may be, shall come into operation from the Effective Date with effect from the Appointed Date.

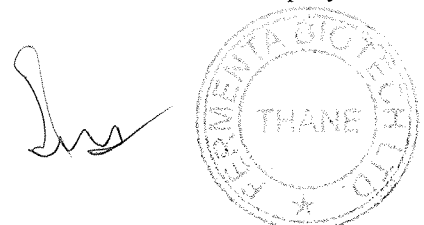
7. SHARE CAPITAL

- 7.1. The authorized, issued, subscribed and paid-up share capital of the Transferor Company 1 as on March 31, 2021 is as follows.

Particulars	Amount (in INR)
<i>Authorized Capital</i>	
65,30,000 Equity Shares of Rs. 10/- each	6,53,00,000
Total Authorized Capital	6,53,00,000
<i>Issued, Subscribed and Paid-Up Capital</i>	
65,21,665 Equity Shares of Rs. 10/- each	6,52,16,650
Total Issued, Subscribed and Paid-Up Capital	6,52,16,650

Subsequent to March 31, 2021 and until the date of approving the Scheme by the Board of Directors of the Transferor Company 1, there has been no change in the above-mentioned issued, subscribed and paid-up share capital of the Transferor Company 1.

- 7.2. The authorized, issued, subscribed and paid-up share capital of the Transferor Company 2 as on March 31, 2021 is as follows.



Particulars	Amount (in INR)
<i>Authorized Capital</i>	
30,000 Equity Shares of Rs. 100/- each	30,00,000
Total Authorized Capital	30,00,000
<i>Issued, Subscribed and Paid-Up Capital</i>	
30,000 Equity Shares of Rs. 100/- each	30,00,000
Total Issued, Subscribed and Paid-Up Capital	30,00,000

Subsequent to March 31, 2021 and until the date of approving the Scheme by the Board of Directors of the Transferor Company 2, there has been no change in the above-mentioned issued, subscribed and paid-up share capital of the Transferor Company 2. The Transferee Company holds 100% share capital of the Transferor Company 2.

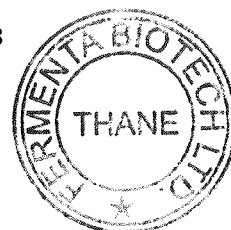
- 7.3. The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2021 is as follows.

Particulars	Amount (in INR)
<i>Authorized Capital</i>	
4,98,40,000 Equity Shares of Rs. 5/- each	24,92,00,000
1,60,000 Unclassified shares of Rs. 5/- each	8,00,000
Total Authorized Capital	25,00,00,000
<i>Issued, Subscribed and Paid-Up Capital</i>	
2,94,30,987 Equity Shares of Rs. 5/- each	14,71,54,935
Total Issued, Subscribed and Paid-Up Capital	14,71,54,935

Subsequent to March 31, 2021 and until the date of approving the Scheme by the Board of Directors of the Transferee Company, there has been no change in the above-mentioned issued, subscribed and paid-up share capital of the Transferee Company.

The equity shares of the Transferee Company are listed on the BSE.

Furthermore, the Transferor Company 1 holds 1,50,75,318 equity shares of Rs. 5 each, fully paid-up, in the Transferee Company, representing about 51.22% of total issued, subscribed and paid-up share capital of the Transferee Company.



**PART II: AMALGAMATION OF THE TRANSFEROR COMPANIES INTO THE
TRANSFEEE COMPANY**

With effect from the Appointed Date, and upon the Scheme becoming effective, the Transferor Companies shall, in accordance with Sections 230 to 232 of the Act, and without any further deed or act, stand amalgamated with and merged into the Transferee Company, and consequently: (i) the entire undertaking of the Transferor Company 1 and Transferor Company 2, including all the properties, assets, rights, liabilities, benefits and interest therein, including as further detailed below, shall, as on the Appointed Date, stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, as a going concern, so as to become the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme, and (ii) the Transferor Company 1 and Transferor Company 2, respectively, shall stand dissolved without being wound up.

8. Transfer of Undertaking

8.1. Subject to the other provisions of this Scheme, in relation to the modalities of transfer and vesting, on occurrence of the Effective Date, the whole of the business, personnel, property, assets, investments, rights, benefits and interest therein of the Transferor Companies, whether capable of passing by manual delivery, and/or endorsement or otherwise, shall, with effect from the Appointed Date, stand transferred to and be vested in the Transferee Company, without any further act or deed, and by virtue of the order passed by the NCLT.

Transfer of Assets

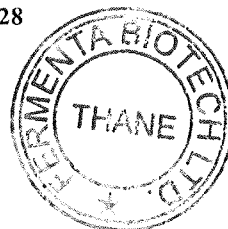
8.2. Without prejudice to the generality of clause 8.1 above, upon the Scheme becoming effective, as on the Appointed Date, the assets shall stand transferred to and be vested in the Transferee Company as further specified below, without any further act or deed, and by virtue of the order passed by the NCLT.

- (i) All the assets and properties comprised in the undertaking Transferor Companies, of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and properties of the Transferee Company.
- (ii) All assets, rights, claims, title, interest and authorities of the Transferor Companies, including all accretions and appurtenances thereto, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting pursuant to this Scheme or otherwise, and whether or not included in the books of the concerned Transferor Company, shall, without any further act or deed, be transferred to and stand vested in and/or deemed to be transferred to and/or vested in the Transferee Company, as a going concern, so as to become as and from the Appointed Date,

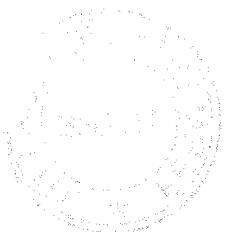


the assets, rights, claims, title, interest and authorities of the Transferee Company.

- (iii) All movable properties of each of the Transferor Companies, i.e., that are in addition to those specified in sub-clause (ii) above, including their respective sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, cash in hand, deposits (including security deposits), investments (including investments in securities of other companies, whether, shares, stocks, debentures, units, or other similar instruments), and all other rights, title, interest, contracts, consents, approvals and powers of every kind, shall, without any further act, instrument or deed, stand transferred to, vested in, and become the property of the Transferee Company.
- (iv) All payments in transit, cheques and other negotiable instruments, payment orders, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment, and electronic, dematerialized or other depository accounts, which are in the name of each of the Transferor Companies after the Effective Date shall be deemed to be in the name of the Transferee Company and all balances therein credited to the accounts (including the depository accounts) of the Transferee Company, if presented by the Transferee Company, or received through electronic transfers, and the bankers and depositories of the Transferee Company shall accept the same. Similarly, the bankers and depositories of the Transferee Company shall honour all cheques, electronic fund transfer instructions or other electronic instructions issued by either Transferor Company for payment after the Effective Date. Provided that, if required, the bankers and depositories of each Transferor Company and/or the Transferee Company shall allow maintaining and operating of the bank and depository accounts (including banking and depository transactions carried out electronically) in the name of the concerned Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposit of cheques, pay orders, electronic transfers, realization of value on any dematerialized holdings subject to special procedures that are held or have been issued or are otherwise made in the name of the said Transferor Company, subject to such accounts being operated by the Transferee Company.
- (v) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses in relation to each Transferor Company, shall be in full force and effect and binding upon the Transferee Company, and may be enforced as fully and effectually as if, instead of the said Transferor Company, the Transferee Company had been a party thereto. Provided that any and all contracts solely between either Transferor Company and Transferee Company, *inter se*, or between the Transferor Companies, *inter se*, or amongst the Transferor Companies and Transferee Company, *inter se*, shall stand cancelled and cease to operate, upon the Scheme becoming effective, as on



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the Appointed Date, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company.

- (vi) All books, records, files, papers, engineering and process information, software, licenses for software, algorithms, programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former business counter parties, and other records whether in physical or electronic form of each Transferor Company, shall without any further act, instrument or deed, cost or charge, and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company, with effect from the Appointed Date.
- (vii) All statutory licenses, permissions, registrations, approvals and consents held by each Transferor Company, required to carry on its operations shall stand transferred to and be vested in the Transferee Company without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, approvals and consents of the said Transferor Company shall vest in and become available to the Transferee Company pursuant to the Scheme. Provided that the NBFC Certificate of Registration bearing No N 13.01816 dated December 19, 2005 issued by the RBI to the Transferor Company 1 shall stand surrendered by the Transferor Company 1 with effect from the Effective Date, and shall upon such surrender be cancelled or otherwise dealt with in such manner as the RBI may deem fit and appropriate in the circumstances.
- (viii) All benefits of any and all corporate approvals as may have already been taken by each Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed, cost or charge, and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken/complied with by the Transferee Company.
- (ix) All telephone, internet, electricity, gas, water and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities to each Transferor Company, together with security deposits and all other advances paid, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The relevant companies, boards, agencies and authorities shall issue invoices in the name of the Transferee Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date falls. The Transferee Company

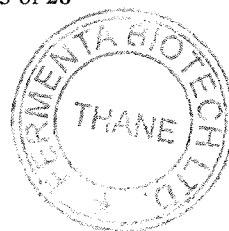


shall comply with the terms, conditions and covenants associated with the grant of such connections and shall also be entitled to refund of security deposits placed with such utility companies, boards, agencies and authorities by each concerned Transferor Company.

Transfer of Liabilities and Proceedings

8.3. Without prejudice to the generality of clause 8.1 above, upon the Scheme becoming effective, as on the Appointed Date, the liabilities and proceedings of each Transferor Company shall stand transferred to and be vested in the Transferee Company as further specified below, without any further act or deed, and by virtue of the order passed by the NCLT.

- (i) All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of each Transferor Company, shall, be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, and the Transferee Company undertakes to meet, discharge and satisfy the same unless otherwise stated in this Scheme. Without prejudice to the generality of the foregoing provisions of this clause 8.3(i), upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred by each Transferor Company for the operations of the business with effect from 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 shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the loans, debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the concerned Transferor Company, and the Transferee Company shall meet, discharge and satisfy the liabilities and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.
- (ii) Where any of the loans, debts, liabilities, duties and obligations of any Transferor Company, which are transferred or deemed to be transferred to the Transferee Company under this Scheme, have been discharged by the Transferor Company, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (iii) It is expressly provided that, no term or condition of the liabilities that are being transferred to the Transferee Company as part of the Scheme and terms on which the liabilities are transferred to the Transferee Company as part of the Scheme, shall be modified by virtue of this Scheme. Without prejudice to the generality of the foregoing, it is expressly clarified that the Scheme shall not operate to



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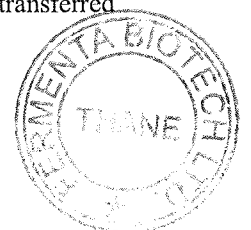
enlarge the scope, terms, conditions, or security of any loan, deposit or facility created by or available to each Transferor Company, which vests in the Transferee Company by virtue of the Scheme.

- (iv) Upon the Scheme becoming effective, with effect from the Appointed Date, all inter-se liabilities and other receivables and payables including any loans thereof, between either or both Transferee Companies and the Transferor Company, or between the Transferor Companies, if any, due or outstanding or which may at any time immediately prior to the Appointed Date become due or remain outstanding, shall stand cancelled and be deemed to have been discharged by such cancellation and consequently, there shall remain no *inter-se* liability between them as of the Appointed Date and corresponding effect shall be given in the books of account and records of Transferee Company.
- (v) Any pending suit/appeal or other proceedings of whatsoever nature relating to either Transferor Company, whether by or against such Transferor Company, shall not abate or be discontinued or in any way prejudicially affected by reason of the merger of the said Transferor Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and/or enforced by or against the concerned Transferor Company, as if this Scheme had not been made. The Transferee Company shall file necessary applications for transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to the said Transferor Company.

Transfer of Employees

8.4. Without prejudice to the generality of clause 8.1 above, upon the Scheme becoming effective, as on the Appointed Date, the employees of the Transferor Companies shall stand transferred to the Transferee Company as further specified below, without any further act or deed, and by virtue of the order passed by the NCLT.

- (i) All employees of each Transferor Company, who are on its pay roll shall be engaged by the Transferee Company, on such terms and conditions as are no less favourable than those on which they are engaged by the Transferor Company as on the Appointed Date, and without any interruption of service as a result of this merger. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Companies, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the concerned Transferor Company for all purposes whatsoever, in accordance with the provisions of applicable laws and in terms of this Scheme. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred



employees of the concerned Transferor Company for such purpose, shall be treated as having been continuous.

- (ii) Furthermore, it is also clarified that on the Scheme becoming effective, the contributions made by each Transferor Company in respect of the said transferred employees under Applicable Law, whether to the provident fund, gratuity fund, contribution towards employees state insurance, superannuation fund, retirement fund, or any other special fund or trusts created or existing for the benefit of the said employees shall be deemed to be contributions made by the Transferee Company, and the said funds shall be transferred to similar funds created by the Transferee Company and shall be held for their benefit pursuant to this Scheme or, at the Transferee Company's sole discretion, maintained as separate funds by the Transferee Company. Upon the Scheme becoming effective, the Transferee Company shall stand substituted for the concerned Transferor Company, for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by such Transferor Company, if any, in accordance with Applicable Law.

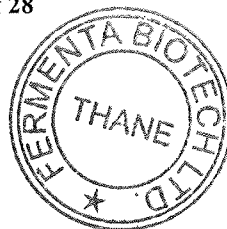
- 8.5. Without prejudice to the foregoing provisions of this clause 8, upon the Scheme becoming effective, the Transferee Company shall execute all instruments or documents or do all the acts and deeds as may be required to give formal effect to the above provisions, if required.
- 8.6. The provisions of this Scheme shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing to which the relevant liability relates or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified by the foregoing provisions.

9. CONSIDERATION

9.1. Consideration on amalgamation of Transferor Company 1 with Transferee Company

- 9.1.1 Upon the coming into effect of the Scheme, and in consideration of the Amalgamation of the Transferor Company 1 into the Transferee Company, the Transferee Company shall, without any further act or deed and without any further payment, basis the Share Exchange Report, issue and allot to the shareholders of Transferor Company 1 (whose name is recorded in the register of members of the Transferor Company 1 as on Record Date) an equal number of new equity shares ("New Equity Shares") as the equity shares held by the Transferor Company 1 in the Transferee Company in the following manner.

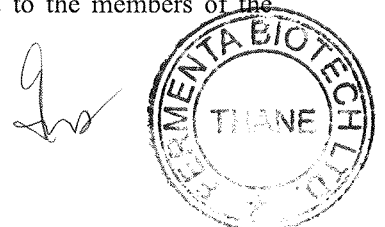
"1,50,75,318 (One Crore Fifty Lakhs Seventy Five Thousand Three Hundred and Eighteen Only) fully paid up equity shares of the face value of INR 5 each of the Transferee Company shall be issued and allotted as fully paid up equity shares to the equity shareholders of the Transferor Company 1, in proportion to their holding in the Transferor Company 1."



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- 9.1.2 In the event that the said New Equity Shares to be issued result in fractional entitlements, the Board of Directors of the Transferee Company round off such fractional entitlements into the nearest whole number integer: a fraction of less than half shall be rounded down to the nearest lower whole number integer and a fraction of half or more shall be rounded up to the nearest higher whole number integer. Provided that in no event shall the total number of New Equity Shares to be allotted by the Transferee Company to the shareholders of the Transferor Company 1, exceed the total number of equity shares held by the Transferor Company 1 in the Transferee Company on the Effective Date (subject to any adjustment to such number as may be required in accordance with clause 9.1.8 below).
- 9.1.3 Pursuant to issuance of New Equity Shares, the shareholders of the Transferor Company 1 shall become the shareholders of the Transferee Company.
- 9.1.4 Since the equity shares of the Transferee Company are dematerialized, the shareholders of the Transferor Company 1 shall be issued New Equity Shares in dematerialized form, by credit of the New Equity Shares to their respective depository accounts.
- 9.1.5 The New Equity Shares of the Transferee Company issued in terms of this Scheme will be listed and/ or admitted to trading on the Stock Exchanges where the shares of the Transferee Company are listed and/or admitted to trading subject to necessary approvals under SEBI regulations and from Stock Exchanges and all necessary applications and compliances being made in this respect by the Transferee Company.
- 9.1.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company 1, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties, after the effectiveness of this Scheme.
- 9.1.7 The New Equity Shares to be issued to the members of the Transferor Company 1 above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu with the existing equity shares of the Transferee Company in all respects.
- 9.1.8 In the event that the Transferee Company restructures its equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio for the New Equity Shares as per clause 9.1 above shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 9.1.9 For the purpose of issue of the New Equity Shares to the shareholders of the Transferor Company 1, the approval of this Scheme by the members of the Transferee Company shall be deemed to be compliance with applicable provisions of the Act for the issue and allotment by the Transferee Company of New Equity Shares to the members of the Transferor Company 1, as provided under the Scheme.


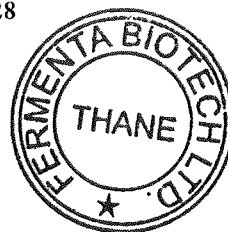


9.2. **Consideration on amalgamation of Transferor Company 2 with Transferee Company**

- 9.2.1 The Transferor Company 2 is a direct wholly owned subsidiary of the Transferee Company and the entire paid-up share capital of the Transferor Company 2 is held by the Transferee Company directly and through its nominees.
- 9.2.2 On the Scheme coming into effect, the entire issued, subscribed and paid-up share capital of Transferor Company 2 shall, ipso facto, without any further application, act, deed or instrument stand extinguished and cancelled and no new shares of the Transferee Company will be issued or allotted with respect to the shares held in the Transferor Company 2.
- 9.2.3 The share certificates issued by the Transferor Company 2 in relation to their respective shares shall, without any further application, act, instrument or deed, be deemed to be and stand automatically cancelled as on the Effective Date. In relation to shares of Transferor Company 2 which are held in dematerialized form, if any, the Transferee Company shall execute and take all necessary steps, actions, matters or things and make all necessary filings, as required to give effect to the cancellation.

10. **CANCELLATION OF EQUITY SHARES OF THE TRANSFEE COMPANY HELD BY THE TRANSFEROR COMPANY 1**

- 10.1. Upon this Scheme becoming effective, all equity shares held by the Transferor Company 1 in the share capital of the Transferee Company as on the Effective Date, shall stand cancelled, without any further act or deed. To the extent such equity shares are held in dematerialized form, such holding shall be extinguished pursuant to such cancellation, on and from the issue of the New Equity Shares in accordance with clause 9.1 above.
- 10.2. Any reduction in the share capital of the Transferee Company, required to give effect to the cancellation pursuant to clause 10.1 above shall be effected as an integral part of this Scheme, pursuant to the order of the NCLT sanctioning this Scheme, under Section 230 of the Act, including as contemplated pursuant to the second *Explanation* contained in Section 230 of the Act, and any other applicable provisions of the Act. The order of the NCLT sanctioning this Scheme shall also include approval and confirmation of such reduction in the share capital of the Transferee Company to the extent so required. Accordingly, as provided in the second *Explanation* in Section 230 of the Act, the provisions of Section 66 of the Act shall not apply to such reduction of share capital of the Transferee Company, effected in pursuance of the said order of the NCLT.

11. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

11.1. Accounting Treatment on amalgamation of Transferor Company 1 with Transferee Company

11.1.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall account for amalgamation of Transferor Company 1 in its books of account as per "Pooling of Interest Method" prescribed under Appendix C to Indian Accounting Standard – 103 "Business Combinations" as prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other generally accepted accounting principles in India.

11.1.2 All the assets and liabilities of Transferor Company 1 shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by Transferee Company at their carrying values as on the Appointed Date. The financial information in the financial statements of the Transferee Company, to be prepared after amalgamation, in respect of prior periods will be restated to include financial information of the Transferor Company as if the business combination has occurred from the beginning of the preceding period in the financial statements.

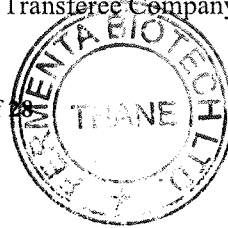
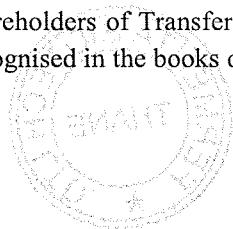
11.1.3 The identity of the reserves shall be preserved standing in the books of account of Transferor Company 1 shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form, as they appeared in the financial statements of Transferor Company 1. As a result of preserving the identity, reserves which are available for distribution as dividend before the amalgamation would also be available for distribution as dividend after amalgamation.

11.1.4 The intercompany balances, investments and other balances if any, in the books of accounts of the Transferee Company and Transferor Company 1 shall stand discharged and come to an end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.

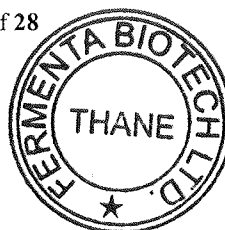
11.1.5 The balance of the retained earnings in the books of account of Transferor Company 1 shall be aggregated with the corresponding balance of retained earnings of the Transferee Company.

11.1.6 The investment of Transferor Company 1 in the equity share capital of the Transferee Company shall stand cancelled as mentioned in clause 10 above and accordingly the issued and paid up equity share capital of the Transferee Company shall stand reduced to the extent of face value of equity shares held by Transferor Company 1 in the Transferee Company.

11.1.7 New Equity Shares to be issued and allotted by the Transferee Company to the shareholders of Transferor Company 1 pursuant to clause 9.1 of this Scheme, shall be recognised in the books of accounts of the Transferee Company at face value.



- 11.1.8 The difference between the Net Assets of Transferor Company 1 and the amount of share capital credited by the Transferee Company as per clause 11.1.7 above after adjusting the cancellation of book value of investments as stated in clause 11.1.6 would be transferred to capital reserve in the books of account of Transferee Company and such capital reserve shall be presented separately from other capital reserves.
- 11.1.9 In case of any difference in accounting policy between Transferor Company 1 and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference shall be quantified and adjusted in the Other Equity of the books of accounts of the Transferee Company.
- 11.1.10 In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this Scheme to comply with any of the applicable Indian Accounting Standards and other generally accepted accounting principles in India.
- 11.2. **Accounting Treatment on amalgamation of Transferor Company 2 with Transferee Company**
- 11.2.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall account for amalgamation of Transferor Company 2 in its books of account as per "Pooling of Interest Method" prescribed under Appendix C of India Accounting Standard AS – 103 "Business Combinations" as prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other generally accepted accounting principles in India.
- 11.2.2 All the assets and liabilities of Transferor Company 2 shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by Transferee Company at their carrying values as on the Appointed Date. The financial information in the financial statements of the Transferee Company, to be prepared after amalgamation, in respect of prior periods will be restated to include financial information of Transferor Company 2 as if the business combination has occurred from the beginning of the preceding period in the financial statements.
- 11.2.3 The identity of the reserves of Transferor Company 2 shall be preserved and the Transferee Company shall record the reserves of Transferor Company 2 in the same form, manner and at the same values as they appear in the financial statements of Transferor Company 2. As a result of preserving the identity, reserves which are available for distribution as dividend before the amalgamation would also be available for distribution as dividend after amalgamation.
- 11.2.4 The intercompany balances, investments and other balances if any, in the books of accounts of the Transferee Company and Transferor Company 2 shall stand discharged and come to an end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company. The value of



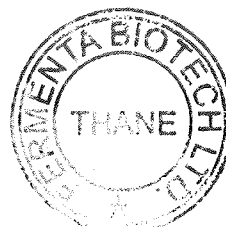
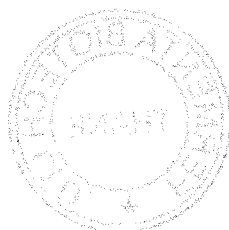
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investments held by the Transferee Company in Transferor Company 2 shall stand cancelled pursuant to amalgamation.

- 11.2.5 The difference, if any, between the Net Assets of Transferor Company 2 and the book value of investments in the Transferee Company cancelled would be transferred to capital reserve in the books of account of Transferee Company and such capital reserve shall be presented separately from other capital reserves.
- 11.2.6 In case of any difference in accounting policy between Transferor Company 2 and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference shall be quantified and adjusted in Other Equity of the books of accounts of the Transferee Company.
- 11.2.7 In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this Scheme to comply with any of the applicable Indian Accounting Standards and other generally accepted accounting principles in India.

12. INDEMNIFICATION BY SHAREHOLDERS OF TRANSFEROR COMPANY 1

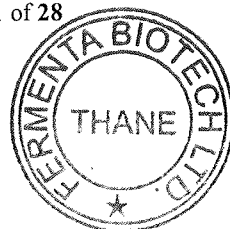
- 12.1. Upon the Scheme coming into effect, the Indemnifying Parties shall, on a *pro rata* basis of their shareholding in the Transferor Company 1, indemnify and hold harmless the Indemnified Persons, from and against any loss, liability, cost, charge or expense (including by way of tax, cess, penalty, fine, or interest) incurred by Transferee Company, if and to the extent such loss, liability, cost, charge or expense is incurred in defending, settling or otherwise satisfying any claim made or raised against the Indemnified Persons by any parties (including any governmental authorities), solely in respect of any proceedings, claims or liabilities against the Transferor Company 1 that existed (or are claimed by such third party to have existed) prior to the Effective Date, and in respect of which proceedings, claims or liabilities the Transferee Company is liable pursuant this Scheme.
- 12.2. The Indemnifying Parties shall secure, deposit or pay, as the case may be, any legal demand for indemnification, within such time frame as may be reasonably prescribed by the Transferee Company based on the proceedings, claims or liabilities in respect of which the indemnification is sought. For avoidance of any doubts, it is hereby clarified that all indemnification payments to the Indemnified Persons shall be grossed up to include any and all taxes payable with respect to the said payments, such that the net of tax amount received by the Transferee Company upon such indemnification is equal to the loss, liability, cost, charge or expense borne by the Transferee Company and for which indemnification is sought.



PART III: GENERAL TERMS AND CONDITIONS

13. TAX

- 13.1. Any tax liabilities under the Income-tax Act, 1961 or other Applicable Law dealing with taxes/ duties/ levies allocable or related to the business of either Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 13.2. Any surplus in the provision for taxation/ duties/ levies account including but not limited to the advance tax, tax deducted at source by the customers and MAT credit, CENVAT credit, Goods and Services Tax credit as on the date immediately preceding the Appointed Date will also be transferred to Transferee Company. Any outstanding benefits of tax relief (whether accounted in the books of either Transferor Company or not), including under the Income-tax Act, 1961, such as credit for advance tax, taxes deducted at sources, minimum alternate tax, and any outstanding refunds under the Income-tax Act, 1961 or other Applicable Laws dealing with taxes, duties, or levies allocable or related to the business of either Transferor Company or due to any Transferor Company, consequent to the assessment made in respect of the said Transferor Company, shall also belong to and be received by Transferee Company.
- 13.3. The tax payments (including without limitation income tax, tax on distribution of dividends, service tax, excise duty, central sales tax, Goods and Services Tax, applicable state value added tax or any other taxes as may be applicable from time to time) whether by way of tax deducted at source by the customers, advance tax or otherwise howsoever, by either Transferor Company after the Appointed Date, shall be deemed to be paid by Transferee Company and shall, in all proceedings, be dealt with accordingly. Notwithstanding the above, any tax deducted at source by any of the Companies on account of inter-company transactions between or amongst the Companies, inter se, post the Appointed Date, shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 13.4. On or after the Effective Date, the Transferee Company is expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the Income -tax Act, 1961 (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), Service Tax law, VAT law, Goods and Service Tax law and other tax laws and shall be entitled to claim refund, advance tax credits pertaining to either Transferor Company with effect from the Appointed Date, if required to give effect to the provisions of the Scheme notwithstanding that the period of filing / revising such returns / forms may have lapsed and period to claim refund / credit also elapsed upon this Scheme becoming effective.
- 13.5. Upon the Scheme becoming effective with effect from the Appointed Date, Transferee Company is expressly permitted to prepare and/or revise, as the case may be, their financial statements and returns along with the prescribed forms, filings and annexure under the



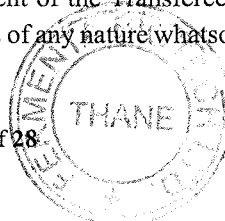
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Income-tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, Goods and Services Tax and other tax laws, if required, to give effects to provisions of the Scheme.

- 13.6. All tax assessment proceedings, including appeals, of whatsoever nature by or against either Transferor Company pending and/or arising at the Appointed Date and relating to such Transferor Company shall be continued and/or enforced until the Effective Date as desired by Transferee Company. As and from the Effective Date, the tax proceedings/appeals shall be continued and enforced by or against Transferee Company (for and on behalf of the said Transferor Company) in the same manner and to the same extent as would or might have been continued and enforced by or against the said Transferor Company. Furthermore, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the merger of the said Transferor Company with the Transferee Company or anything contained in the Scheme.
- 13.7. Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by either Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 13.8. The provisions of this Scheme as they relate to the merger of each Transferor Company into and with the Transferee Company have been drawn up to comply with the conditions relating to "Amalgamation" as defined 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 of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of 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.

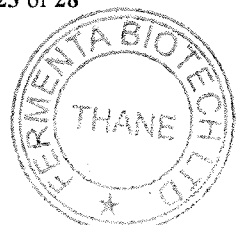
14. CONDUCT OF THE TRANSFEROR COMPANIES TILL THE EFFECTIVE DATE

- 14.1. With effect from the Appointed Date and up to and including the Effective Date:
- (i) each Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for Transferee Company;
 - (ii) each Transferor Company hereby undertakes to hold its assets with utmost prudence until the Effective Date;
 - (iii) each Transferor Company shall carry on its business and activities with reasonable diligence, business prudence in the ordinary course of business and shall not, without the prior consent of the Transferee Company, undertake any additional financial commitments of any nature whatsoever, borrow any amounts



or incur any additional liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its affiliates or associates or any third party, or sell, transfer, alienate, or otherwise deal in any of its properties/ assets, except: (a) when the same is expressly provided for in this Scheme; or (b) when the same is in the ordinary course of business as carried on by it as on the date of filing of this Scheme in the NCLT; or (c) when a prior written consent of the Transferee Company has been obtained in this regard;

- (iv) except by mutual consent of the respective Boards of Directors of the concerned Transferor Company and the Transferee Company, and subject to changes pursuant to commitments, obligations or arrangements prior to the Appointed Date or as part of this Scheme, pending sanction of this Scheme by the NCLT, such Transferor Company shall not make any change in its capital structure either by any increase (by issue of equity shares, bonus shares, preference shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of reorganisation of capital of the said Transferor Company;
- (v) each Transferor Company shall not vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligations, undertaken prior to the date of approval of the Scheme by the Board of Directors of the Transferor said Company, the terms and conditions of employment of any of its employees except with the written concurrence of the Transferee Company;
- (vi) each Transferor Company shall not alter or expand its business except with the written concurrence of the Transferee Company;
- (vii) each Transferor Company shall not amend its memorandum of association and / or its articles of association, except with the written concurrence of the Transferee Company;
- (viii) all the profits or income accruing or arising to each Transferor Company or expenditure or losses arising or incurred or suffered by it with effect from Appointed Date shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure, as the case may be, of the Transferee Company respectively, unless otherwise provided in this Scheme; and
- (ix) Notwithstanding anything contained herein, in the event any dividends or other distributions are received by the Transferor Company either from the Transferee Company or pursuant to any other holdings of the said Transferor Company, before the Scheme becomes effective, the said Transferor Company shall ensure that such receipts are immediately distributed amongst its shareholders by way of dividends or any other manner, to the extent permitted under Applicable Law.



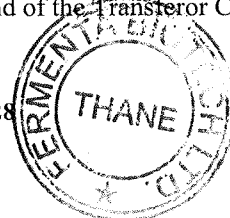
- 14.2. Subject to the foregoing provisions of the Scheme, with effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the business of the Transferor Companies.
- 14.3. For the purpose of giving effect to the Amalgamation order passed under Sections 230 - 232 and other applicable provisions of the Act in respect of the Scheme by the NCLT, the Transferee Company shall, at any time pursuant to the order on the Scheme, be entitled to have recorded the change in title and all other legal rights upon the merger of each Transferor Company with the Transferee Company, in accordance with the provisions of Sections 230 to 232 of the Act.
- 14.4. For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank, depository, and all other accounts of the Transferor Company 1 and/or the Transferor Company 2, applicable, have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the said accounts of the Transferor Company 1 and/or the Transferor Company 2, respectively, in the name of the Transferor Company 1 and/or the Transferor Company 2, as the case may be, and insofar as may be necessary.
- 14.5. Until the effectiveness of the Scheme, in the event the Transferee Company declares and distributes dividends (including interim dividends) or undertakes any Corporate Action (such as bonus issue / rights issue etc.), the Transferor Company 1 shall be duly entitled to receive or subscribe to the same, as the case may be.
- 14.6. Until the Effective Date, the shareholders of the Transferor Company 1 shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under the articles of association of the Transferor Company 1, including the right to receive dividends and/or other distributions in accordance with Applicable Law.

15. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations pertaining or relating to each Transferor Company, pursuant to this Scheme, and the continuance of the proceedings by or against the Transferee Company, under this Scheme shall not affect any transactions or proceedings already completed by such Transferor Company, on and after the Appointed Date, to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/ or on behalf of each Transferor Company, as acts, deeds and things done and executed by and on behalf of Transferee Company.

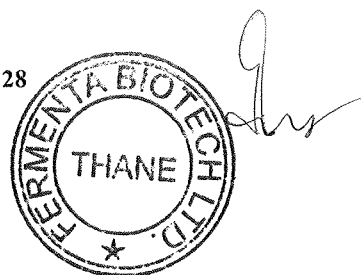
16. COMBINATION OF AUTHORISED SHARE CAPITAL

- 16.1. On coming into effect of this Scheme, the authorized share capital of the Transferee Company shall automatically stand increased without any further act or deed on the part of the Transferee Company, including payment of stamp duty and RoC fees, by the authorized share capital of the Transferor Company 1 and of the Transferor Company 2.



- 16.2. Consequent to such increase in the authorized share capital of the Transferee Company, the Memorandum of Association and Articles of Association of the Transferee Company shall be and stand altered, modified and amended, without any further act or deed, and the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this increase in the authorized share capital of the Transferee Company, and no further resolutions under Section 13, Section 61 or any other applicable provisions of the Act shall be required to be separately passed. For this purpose, the filing fees and stamp duty previously paid by the Transferor Company 1 and Transferor Company 2, as applicable, towards its authorized share capital shall be utilized and applied to the increased authorized share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorized share capital and, accordingly, the Transferee Company shall not be required to pay any fees/ stamp duty on the authorized share capital so increased.
- 16.3. Pursuant to the Scheme and after the Scheme becomes effective, the authorized share capital of the Transferee Company will stand increased to INR 31,83,00,000 (Rupees Thirty-One Crores, Eighty-Three Lakhs only) divided into 6,35,00,000 (Six Crores, Thirty-Five Lakh) equity shares of INR. 5/- (Rupees Five only) each, and 1,60,000 (One Lakh, Sixty Thousand) unclassified shares of INR. 5/- (Rupees Five only) each with such rights, privileges and conditions as to security, redemption, conversion into equity shares, rate of dividend, right of accumulation of dividend etc., attaching thereto as are provided by the Articles of Association of the Company.
- 16.4. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent and approval to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act, and Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows.

“The Authorised Share Capital of the Company is INR 31,83,00,000 (Rupees Thirty One Crores Eighty Three Lakhs) divided into 6,35,00,000 (Six Crores, Thirty-Five Lakh) equity shares of INR. 5/- (Rupees Five only) each, and 1,60,000 (One Lakh, Sixty Thousand) unclassified shares of INR. 5/- (Rupees Five only) each with such rights, privileges and conditions as to security, redemption, conversion into equity shares, rate of dividend, right of accumulation of dividend etc., attaching thereto as are provided by the Articles of Association of the Company. The Company shall have power to increase or reduce, consolidate or sub-divide the Share Capital of the Company for the time being and from time to time divide the shares of the new Capital into several classes and denomination and to issue any shares of the original or further Share Capital of the Company for the time being with such preferential, qualified or special rights, privileges or conditions attached thereto respectively including rights to dividend in distribution of assets of the Company from time to time in accordance with the Articles of Association of the Company and subject to the provisions of the Companies Act, 2013, for the time being in force.”



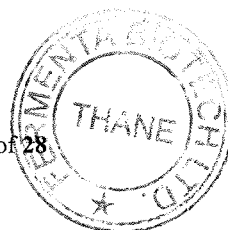
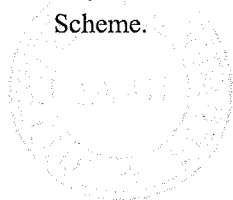
17. DISSOLUTION OF THE TRANSFEROR COMPANY 1 AND TRANSFEROR COMPANY 2

On the Scheme becoming effective, each of the Transferor Company 1 and Transferor Company 2 shall stand dissolved without being wound up, and without requiring any further act or deed, and the Board of Directors of the Transferor Company 1 and Transferor Company 2 shall, correspondingly, and without any further act, instrument, or deed be, and stand dissolved.

18. CONDITIONALITY OF THE SCHEME

18.1. This Scheme is and shall be conditional upon and subject to the following.

- (i) Receipt by the Transferee Company of no-objection letters from the Stock Exchange(s), as required under Applicable Laws, which shall be in form and substance acceptable to the Companies, each acting in good faith;
- (ii) Receipt by the Transferor Company 1 of approval from the RBI in respect of this Scheme for the merger of the Transferor Company 1 into the Transferee Company;
- (iii) The approval by the requisite majorities in number and value of the classes of persons, including shareholders, and creditors of the Companies, as may be directed by the NCLT under Sections 230 - 232 of the Act.
- (iv) Scheme being approved by the Public Shareholders through e-voting in terms of Part – I(A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 dated November 23, 2021 and the Scheme shall be acted upon only if the vote cast by the Public Shareholders in favour of the proposal are more than the number of votes cast by the Public Shareholders against it.
- (v) The sanctioning of this Scheme by the NCLT, whether or not with any modifications or amendments as NCLT may deem fit or otherwise;
- (vi) Certified copies of the orders of the NCLT sanctioning the Scheme being filed with the RoC;
- (vii) Compliance with such other conditions as may be imposed by NCLT;
- (viii) The requisite consent, approval or permission of any other Governmental Authorities, which by Applicable Law may be necessary for the implementation of this Scheme; and
- (ix) Any other sanctions and orders as may be directed by the NCLT in respect of the Scheme.

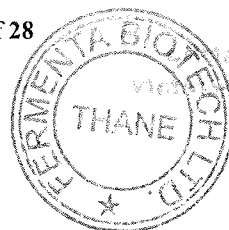


19. APPLICATION TO THE NCLT

- 19.1. The Companies shall, with all reasonable dispatch, make necessary applications to the NCLT where the respective registered offices of the Companies are situated, for convening and/or seeking exemption to convene meetings of shareholders and creditors, as applicable, and for sanctioning this Scheme under Sections 230 to 232 of the Act, for an order thereof, for carrying this Scheme into effect, and for dissolution of the Transferor Company 1 and the Transferor Company 2, respectively, without winding up.
- 19.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required under any law for such approvals which the Transferee Company may require to own the undertaking of the Transferor Company 1 and/or the Transferor Company 2 and to carry on the business of the Transferor Company 1 and/or the Transferor Company 2 as contemplated hereunder.

20. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 20.1. The Companies (each acting through its respective Board of Directors) may assent to any modifications or amendments to this Scheme, which the NCLT and/or any other Governmental Authorities 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 this Scheme.
- 20.2. The Companies (each acting through its respective Board of Directors) shall be and are hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any order of the NCLT or of any directive or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 20.3. The Boards of Directors of the Companies shall be entitled, in a mutually agreeable manner, to revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on the any one or more of the Companies, or on all of the Companies.
- 20.4. In the event of any of the conditions that may be imposed by the NCLT or other authorities which the Companies may find unacceptable for any reason, then the Companies shall be and are at liberty to withdraw the Scheme in accordance with the procedures prescribed to do so.
- 20.5. If any issue arises as to whether any asset and/or liability pertains to the Transferor Company 1 and/or the Transferor Company 2 and/or the Transferee Company, or not under this Scheme, the same shall be decided by the Board of Directors of the Transferor Company 1 and/or the Transferor Company 2 and/or Transferee Company, as relevant, on the basis of relevant books of account and other evidence that they may deem relevant for said purposes.



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21. EFFECT OF NON-RECEIPT OF APPROVALS

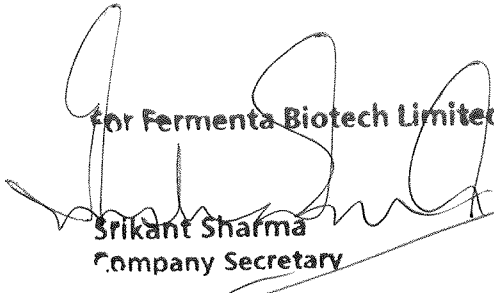
- 21.1. In the event that the Scheme is not sanctioned by the NCLT or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme are not obtained or complied with or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void; provided that, in such case, each Company shall bear its respective costs and expenses in relation to the Scheme.
- 21.2. The non-receipt of any sanctions or approvals for a particular asset or liability forming part of the Transferor Company 1 and/or the Transferor Company 2, as the case may be, getting transferred pursuant to this Scheme, shall not affect the effectiveness of the respective sections of the Scheme, if the Boards of Directors of the Companies so decide. The transfer of such asset or liability shall become effective from the Appointed Date as and when the said requisite approvals are received and the provisions of the Scheme shall apply appropriately to the said transfer.

22. COSTS, CHARGES & EXPENSES

Subject to the proviso to clause 21.1 above, all costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme and its implementation, including but not limited to expenditure relating to registration and stamping of orders passed by NCLT, obtaining regulatory approvals, revocation or withdrawal of the Scheme (if undertaken by the Companies) will be borne by the Transferee Company.

23. MISCELLANEOUS

- 23.1. If any part of this Scheme hereof is invalid, ruled illegal by any NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Companies that if so determined by the Boards of Directors of all Companies that such part be severable from the remainder of the Scheme, such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any Company, as determined by the Board of Directors of the affected Company, in which case the Companies shall attempt to bring about a modification in the Scheme, as will best preserve for all of the Companies the benefits and obligations of the Scheme, including but not limited to such part.


for Fermenta Biotech Limited
Srikant Sharma
Company Secretary

