

**COMPOSITE SCHEME OF AMALGAMATION**

**BETWEEN**

**MULTIFLORA PROCESSING (COIMBATORE) LIMITED**  
**(1<sup>st</sup> Transferor Company)**

**AND**

**SUPREM TEXTILES PROCESSING LIMITED**  
**(2<sup>nd</sup> Transferor Company)**

**AND**

**PRECOT MERIDIAN ENERGY LIMITED**  
**(3<sup>rd</sup> Transferor Company)**

**WITH**

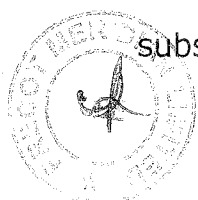
**PRECOT MERIDIAN LIMITED**  
**(Transferee Company)**

**PART - 1**

**1. PREAMBLE**

**1.1 THE SCHEME**

2.1 This Scheme of Amalgamation provides for the amalgamation of **M/s Multiflora Processing (Coimbatore) Limited** ( hereinafter referred to as "**1<sup>st</sup> Transferor Company**"), **M/s Suprem Textiles Processing Limited** ( herein after referred to as "**2<sup>nd</sup> Transferor Company**") and **M/s Precot Meridian Energy Limited** (hereinafter referred to as "**3<sup>rd</sup> Transferor Company**") with **M/s Precot Meridian Limited** (hereinafter referred to as "**Transferee Company**") pursuant to the applicable provisions of the Companies Act. The 1<sup>st</sup> Transferor Company, 2<sup>nd</sup> Transferor Company and 3<sup>rd</sup> Transferor Company are the 100% wholly owned subsidiaries of the Transferee Company.



1.2 The Scheme is divided into the following parts:

Part – 1 – Deals with Preamble.

Part – 2 – Deals with Definitions.

Part – 3 – Deals with Amalgamation of M/s Multiflora Processing (Coimbatore) Limited (1<sup>st</sup> Transferor Company), M/s Suprem Textiles Processing Limited (2<sup>nd</sup> Transferor Company) and M/s. Precot Meridian Energy Limited (3<sup>rd</sup> Transferor Company) with M/s. Precot Meridian Limited ( Transferee Company).

Part – 4 – Deals with the general terms and conditions that would be applicable to the entire Scheme.

In addition to the above, the Scheme also provides for various other matters consequential or otherwise integral to it.

1.3 **1<sup>st</sup> Transferor Company:**

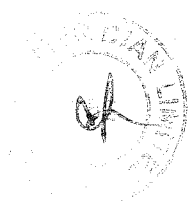
**Multiflora Processing (Coimbatore) Limited**, a company incorporated under the Companies Act, 1956, originally as Multiflora (Floriculture) Private Limited on 28<sup>th</sup> February, 1994, changed its name as Multiflora (Floriculture) Limited with effect from 30<sup>th</sup> March, 1998 and again changed its name as Multiflora Processing (Coimbatore) Limited with effect from 15<sup>th</sup> May, 2002 and having its Registered Office at No.737, Green Fields, Puliakulam Road, Coimbatore 641045 (hereinafter referred to as "**1<sup>st</sup> Transferor Company**"). Its Corporate Identity Number is U01122TZ1994PLC008923.

The 1<sup>st</sup> Transferor Company is a wholly owned subsidiary of the Transferee Company.



The Objects of the 1<sup>st</sup> Transferor Company as per its Memorandum of Association inter alia are as follows:-

1. To carry on all kinds of processing of flowers, floral extracts, plants, foilages, grasses and items of every description of forest produce, vegetables, fruits and products of the soil or forest and render marketable any such produce; and
2. To carry on business as manufacturers, producers, agents, brokers, dealers, designers, exporters, importers, processors, traders of yarns and fabric (whether textile, felted, looped or otherwise) manufactured and/or processed from cotton, polyester, rayon or any other types of natural or manmade fibers or filaments of any base whether organic or inorganic or compounds or mixtures thereof, by physical, chemical or any other process or treatment now prevalent or as may be devised in future and of spinning, blending, combing, weaving, knitting, bleaching, processing, dyeing, printing, marking, stitching or otherwise of any other fabrics or finished articles thereof and of manufacturing the chemicals, dyestuffs, equipments, washing, bleaching and dyeing materials, raw materials, packing materials and all other requisites needed for all or any of the above purposes or the bye products which can be conveniently produced there from and to buy, sell, import, export, distribute, trade, stock, barter, exchange, pledge, make advances upon, speculate, enter into forward transactions or otherwise deal in all or any of the foregoing.



#### 1.4 2<sup>nd</sup> Transferor Company

**Suprem Textiles Processing Limited**, a company incorporated under the Companies Act, 1956 on 28<sup>th</sup> August, 1986 originally as Suprem Textiles Processing Private Limited, and subsequently changed to Suprem Textiles Processing Limited with effect from 5<sup>th</sup> August, 1987 and having its Registered Office at No.737, Green Fields, Puliakulam Road, Coimbatore 641045 (hereinafter referred to as "2<sup>nd</sup> Transferor Company"). Its Corporate Identity Number is U17121TZ1986PLC001834.

The 2nd Transferor Company is a wholly owned subsidiary of the Transferee Company.

The Objects of the 2<sup>nd</sup> Transferor Company as per its Memorandum of Association inter alia are as follows:-

1. To carry on the business as cotton and fibre spinners or and doublers, flax, hemp, and jute spinners, linen manufacturers, flax, hemp, jute and woolen merchants, wool combers, worsted spinners, woolen spinners, cotton spinners, cotton, fibre and yarn merchants, worsted stuff manufacturers, bleachers and dyers and maker of vitriol, bleaching and dyeing materials, and to purchase, gin, comb, prepare, spin, dye and deal in kappas, cotton, flax, hemp, jute, wool, silk and other fibrous substances and to weave or otherwise manufacture, buy and sell and deal in cloth, linen and fabrics, whether textile, felled, netted or looped.



2. To manufacture, buy, sell, export and deal in all manner and kinds of cotton and synthetic threads and yarns used in Textiles, Leather and other industries.
3. To carry on all or any of the businesses of silk mercers, silk weavers, hosiery, carpet makers, importers and wholesale and retail dealers of and in Textile fabrics of all kinds.
4. To wash, clean, purify, scour, bleach, dry, iron, colour, dye, disinfect, renovate and prepare for use all articles of wearing apparels, household, domestic and other linen, cotton, fibre and woolen goods and clothing and fabrics of all kinds.
5. To cultivate, buy, sell and deal in raw or finished cotton, wool, jute, silk, and other fibrous substances and to prepare, spin, clean, press and pack the same and sell materials so manufactured.

#### 1.5 **3<sup>rd</sup> Transferor Company**

**Precot Meridian Energy Limited**, a company incorporated under the Companies Act, 1956, originally as Precot Spintex Limited on 19<sup>th</sup> December, 2002, changed its name as Precot Meridian Energy Limited with effect from 6<sup>th</sup> December, 2007 and having its Registered Office at No.737, Green Fields, Puliakulam Road, Coimbatore 641045 (hereinafter referred to as "**3<sup>rd</sup> Transferor Company**"). Its Corporate Identity Number is U17111TZ2002PLC010408.

The 3<sup>rd</sup> Transferor Company is a wholly owned subsidiary of the Transferee Company.



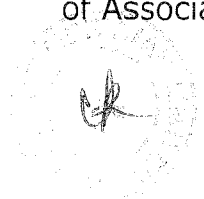
The Objects of the 3<sup>rd</sup> Transferor Company as per its Memorandum of Association inter alia are as follows:-

1. To run spinning mills, or any other factories for Pressing, Ginning, Carding, Combing, Scouring, Curing, Colouring, Vending, Spinning, Doubling, Mixing, Processing, Twisting, Throwing, Bleaching, Mercerising, Dyeing or for finishing of any textile in all description made from Cotton, Yarn, Rayon, Nylon, Wool, Silk, Synthetic fibres, Stable fibres, Jute, Hemp, Hessian, Linen and other manmade or Natural fibres.
2. To manufacture, buy, sell, import, export or otherwise deal in any Textile products including Cotton Yarn, blended yarn, sewing threads, knitted and woven fabrics and garments.

#### 1.6 Transferee Company

**Precot Meridian Limited**, a company incorporated under the Companies Act, 1956 originally as Premier Cotton Spinning Mills Limited on 2<sup>nd</sup> June, 1962, and changed its name to Precot Mills Limited on 4<sup>th</sup> March, 1985, and again changed its name as Precot Meridian Limited with effect from 28<sup>th</sup> September, 2006, and having its Registered Office at No.737, Green Fields, Puliakulam Road, Coimbatore 641045 (hereinafter referred to as "**Transferee Company**"). The Corporate Identity Number of the Transferee Company is L17111TZ1982PLC001183.

The objects of the Transferee Company as per its Memorandum of Association inter alia are as follows:-

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- (1) To carry on all or any of the following businesses, namely, cotton and fibre spinners and doublers, flax, hemp and jute spinners, linen manufacturers, flax, hemp, jute and woolen merchants, wool combers, worsted spinners, woolen spinners, cotton ginner, cotton, fibre and yarn merchants, worsted stuff manufacturers, bleachers, and dyers and makers of vitriol, bleaching and dyeing materials, and to purchase, gin, comb, prepare, spin, dye and deal in kappas, cotton, flax, hemp, jute, wool, silk and other fibrous substances and to weave or otherwise manufacture, buy and sell and deal in cloth, linen and other goods and fabrics, whether textiles, felted, netted or looped.
- (2) Various objects as covered under clause III (2) to (42) of the said Memorandum of Association of the Transferee Company.

#### 1.7 Rationale of the Scheme

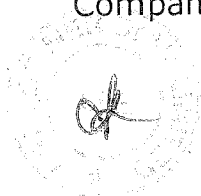
- a) The 1<sup>st</sup> Transferor Company, 2<sup>nd</sup> Transferor Company and 3<sup>rd</sup> Transferor Company (collectively referred as "**Transferor Companies**") are the 100% wholly owned subsidiaries of the Transferee Company. The Transferor Companies and Transferee Company propose through this Scheme (as defined hereinafter) to amalgamate the Transferor Companies into and with the Transferee Company, which would result in consolidation of their respective financial strength into one entity. The amalgamation will enable the Transferee Company to harness and optimize the synergies

of all the companies by combining their respective expertise, resources, network and experience and achieve higher financial returns. The proposed amalgamation is in the best interest of shareholders, creditors, employees of all the transferor companies and transferee company. The Amalgamation will lead to better and more economic control and efficient management with greater focus and attention and optimum utilization of available financial resources. The merged entity will have higher efficiencies and better leveraging for financial benefits, and contributing to significant future growth. The Reasonable size of operations that will improve the stature of the company and integration of administrative practices and implementation of uniform management practices;

- b) The Transferor Companies and Transferee Company intend that the amalgamation in accordance with this Scheme shall take effect from the Appointed Date (as defined hereinafter), but will be operative from the Effective Date (as defined hereinafter).

1.8 Consequently, the Board of Directors (*as hereinafter defined*) of the Transferor Companies and the Board of Directors of the Transferee Company have considered this Scheme of Amalgamation and accordingly proposed the Amalgamation of the Transferor Companies with the Transferee Company.

1.9 This Scheme provides for the Amalgamation of the Transferor Companies with the Transferee Company, as per the terms of





this Scheme and pursuant to Sections 391 to 394 of the Companies Act, 1956 and the other relevant provisions made under the said Act (including corresponding provisions under the Companies Act, 2013) as applicable; and various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.

1.10 This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as defined and specified under Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions or part of this Scheme are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.

1.11 The amalgamation of the Transferor Companies with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date (*as hereinafter defined*).

## **PART – 2**

### **2. DEFINITIONS**

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



- 2.1 **"Act"** means the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and / or the Companies Act, 2013 (from the date of applicability as may be notified by the Government, including any statutory modification or re-enactment thereof).
- 2.2 **"Applicable provisions of the Act" or "Applicable provisions of the Companies Act"** means Section 391 to 394 of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and/or Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (from the date of applicability as may be notified by the Government, including any statutory modification or re-enactment thereof).
- 2.3 **"1<sup>st</sup> Transferor Company"** means Multiflora Processing (Coimbatore) Limited;
- 2.4 **"2<sup>nd</sup> Transferor Company"** means Suprem Textiles Processing Limited;
- 2.5 **"3<sup>rd</sup> Transferor Company"** means Precot Meridian Energy Limited;
- 2.6 **"Transferor Companies"** means collectively all the 1<sup>st</sup> Transferor Company, 2<sup>nd</sup> Transferor Company and 3<sup>rd</sup> Transferor Company; and **"Transferor Company"** means individually each of them.
- 2.7 **"Transferee Company"** means Precot Meridian Limited;

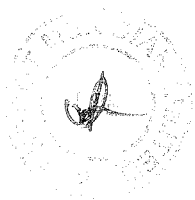
2.8 **"Appointed Date"** means the 1<sup>st</sup> April, 2016 (hereinafter called the "Appointed Date") or such other date as may be determined by the Board of Directors of the Transferor Companies and Transferee Company which shall be the date with effect from which the Scheme shall be applicable, i.e. with effect from the date on which the Transferor Companies shall amalgamate with the Transferee Company, upon the Scheme becoming effective.

2.9 **"Board"** or **"Board of Directors"** in relation to each of the Transferor Companies and the Transferee Company, as the case may be, means the Board of Directors of such company.

2.10 **"Effective Date"** means the date on which a certified copy of the order of the High Court sanctioning this Scheme is filed with Registrar of Companies, Tamilnadu, Coimbatore by the Transferor Companies and Transferee Company.

2.11 **"High Court"** shall mean the Hon'ble High Court of Judicature at Madras having jurisdiction in relation to the Transferor Companies and the Transferee Company and shall include the National Company Law Tribunal (Tribunal) or such other forum or authority, as may be vested with the any of the powers of a High Court under the Act, if applicable.

2.12 **"Income Tax Act"** means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force.

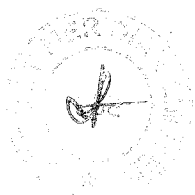


2.13 "**Liabilities**" means all debts and liabilities, both present and future comprised in the Undertaking, whether or not provided in the books of accounts or disclosed in the balance sheet of the Transferor Companies, including all secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), duties and obligations (including under any licenses or permits or schemes of every kind) and undertakings of the Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any charge, encumbrance;

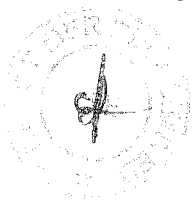
2.14 "**Shareholders**" means respectively the persons registered as holders of Equity Shares of the Companies concerned.

2.15 "**Composite Scheme of Amalgamation**" or "**Scheme of Amalgamation/Merger**" or "**Scheme**" or "**Scheme of Arrangement**" or "**Scheme of Amalgamation**" shall mean this Composite Scheme of Amalgamation of M/s Multiflora Processing (Coimbatore) Limited, M/s Suprem Textiles Processing Limited, and M/s Precot Meridian Energy Limited with M/s Precot Meridian Limited in its present form or with any modification(s) approved, imposed, or directed by the Hon'ble High Court.

2.16 "**Undertaking of the 1<sup>st</sup> Transferor Company**" means and include all the business, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the 1<sup>st</sup> Transferor Company, on a going concern basis, together with all its assets, liabilities and employees and shall include (without limitation):



(a) all the movable and immovable properties including plant and machinery, equipments, furniture, fixtures, vehicles, stocks and inventory, packing, packaging material, leasehold assets and other properties, real, corporeal and incorporeal, in possession or otherwise, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the 1<sup>st</sup> Transferor Company, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, partnership in partnership firms) including overseas subsidiaries, partnership firms, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, memorandum of understandings, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangible items (whether or not recorded in the books of 1<sup>st</sup> Transferor Company), industrial and other licenses, permits, authorizations, trademarks, trade names, patents, patent rights, copyrights, designs, logo, pre qualification rights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities,



electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from Government, semi-Government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature (including but not limited to benefits of tax exemptions/incentives/benefits and/or exemption or rebate entitlements, all tax holiday, tax relief including those available under the Income Tax Act such as credit for advance tax, taxes deducted at source, minimum alternate tax credit, credit for Service Tax, CENVAT credit, input tax credit, etc.) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by 1<sup>st</sup> Transferor Company, as on the Appointed Date;

(b) All the debts, loans, liabilities, duties and obligations including contingent liabilities of the 1<sup>st</sup> Transferor Company as on the Appointed Date; and

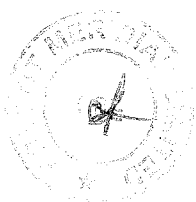
(c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing

information and other records whether in physical or electronic form, in connection with or relating to the 1<sup>st</sup> Transferor Company.

2.17 **"Undertaking of the 2<sup>nd</sup> Transferor Company"** means and include all the business, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the 2<sup>nd</sup> Transferor Company, on a going concern basis, together with all its assets, liabilities and employees and shall include (without limitation):

- (a) all the movable and immovable properties including plant and machinery, equipments, furniture, fixtures, vehicles, stocks and inventory, packing, packaging material, leasehold assets and other properties, real, corporeal and incorporeal, in possession or otherwise, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the 2<sup>nd</sup> Transferor Company, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, partnership in firms) including overseas subsidiaries, partnership firm, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, memorandum of understandings, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangible items (whether or not recorded in

the books of 2<sup>nd</sup> Transferor Company), industrial and other licenses, permits, authorizations, trademarks, trade names, patents, patent rights, copyrights, designs, logo, pre qualification rights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from Government, semi-Government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature (including but not limited to benefits of tax exemptions/incentives/benefits and/or exemption or rebate entitlements, all tax holiday, tax relief including those available under the Income Tax Act such as credit for advance tax, taxes deducted at source, minimum alternate tax credit, credit for Service Tax, CENVAT credit, input tax credit, etc.) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by 2<sup>nd</sup> Transferor Company, as on the Appointed Date;





(b) All the debts, loans, liabilities, duties and obligations including contingent liabilities of the 2<sup>nd</sup> Transferor Company as on the Appointed Date; and

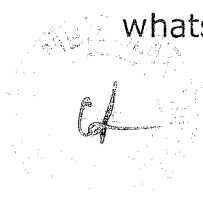
(c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the 2<sup>nd</sup> Transferor Company.

2.18 **"Undertaking of the 3<sup>rd</sup> Transferor Company"** means and include all the business, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the 3<sup>rd</sup> Transferor Company, on a going concern basis, together with all its assets, liabilities and employees and shall include (without limitation):

(a) all the movable and immovable properties including plant and machinery, equipments, furniture, fixtures, vehicles, stocks and inventory, packing, packaging material, leasehold assets and other properties, real, corporeal and incorporeal, in possession or otherwise, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the 3<sup>rd</sup> Transferor Company, investments of all kinds



(i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, partnership in firms) including overseas subsidiaries, partnership firm, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, memorandum of understandings, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangible items (whether or not recorded in the books of 3<sup>rd</sup> Transferor Company), industrial and other licenses, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, designs, logo, pre qualification rights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from Government, semi-Government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature (including but not limited to benefits of tax

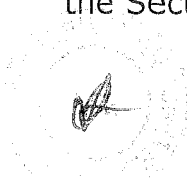
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exemptions/incentives/benefits and/or exemption or rebate entitlements, all tax holiday, tax relief including those available under the Income Tax Act such as credit for advance tax, taxes deducted at source, minimum alternate tax credit, credit for Service Tax, CENVAT credit, input tax credit, etc.) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by 3<sup>rd</sup> Transferor Company, as on the Appointed Date;

(b) All the debts, loans, liabilities, duties and obligations including contingent liabilities of the 3<sup>rd</sup> Transferor Company as on the Appointed Date; and

(c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the 3<sup>rd</sup> Transferor Company.

2.19 All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, 1956 or Companies Act, 2013, as applicable, the Income Tax Act, 1961, the Securities Contracts (Regulation) Act, 1956, the Securities and



Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

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

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

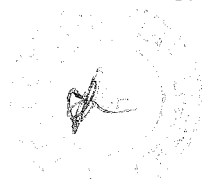
2.22 The singular shall include the plural and vice versa; and references to one gender include all genders.

2.23 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2.24 References to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.

2.25 Any reference to any statute or statutory provision shall include:

- (a) All subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any



retrospective amendment; and

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

### **PART - 3**

## **AMALGAMATION OF THE 1<sup>st</sup> TRANSFEROR COMPANY, 2<sup>ND</sup> TRANSFEROR COMPANY AND 3<sup>RD</sup> TRANSFEROR COMPANY (TRANSFEROR COMPANIES) WITH THE TRANSFeree COMPANY:**

### **THE SCHEME**

#### **3 Transfer and vesting of the Transferor Companies**

- 3.1 Upon coming into effect of the Scheme and with effect from the Appointed Date, the undertakings and the entire business of the Transferor Companies comprising of all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the applicable provisions of the Companies Act, 1956, without any further act, instrument or deed, be and stand transferred to, and vested in, and /or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as

and from the Appointed Date, the assets and liabilities of the Transferee Company and there shall be vested in the Transferee Company all the rights, titles, interests or obligations of the Transferor Companies and shall be free from all encumbrances.

3.2 With effect from the Appointed Date and upon the Scheme becoming effective, all the assets relating to the Transferor Companies as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall be so transferred, delivered or endorsed and delivered, as the case may be, by the Transferor Companies, and shall upon transfer become the property and an integral part of the Transferee Company. In respect of such of the said assets, 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.

3.3 For the purpose of giving effect to the order passed under the applicable provisions of the Companies Act, in respect of this Scheme, the Transferee Company shall at any time pursuant to the order on this Scheme be entitled to get the recordal of the change in the title and appurtenant legal right(s) upon the vesting of such undertakings/assets of the Transferor Companies in the Transferee Company.

### **Transfer of Debts & Liabilities**

3.4 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities,

duties and obligations of every kind, nature and description attributable to the Transferor Companies shall also be and stand transferred, without any further act or deed, to the Transferee Company, pursuant to the applicable provisions of the Companies Act, so as to become as from that day, the debts, liabilities, duties and obligations of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that 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 debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

3.5 All loans raised and used and liabilities incurred by the Transferor Companies prior to the Effective Date, for the operations of the Transferor Companies shall be discharged by the Transferee Company.

3.6 This Scheme although effective from the Appointed Date, shall become operative from the effective date.

### **Conduct of Business till Effective Date**

3.7 With effect from the Appointed Date and upto the date on which this Scheme finally takes effect, the Transferor Companies shall be deemed to carry on all the business and activities and stand possessed of the properties so to be transferred for and on account of and in trust for the Transferee Company and that the profits accruing to the Transferor Companies or losses arising or



incurred by them shall for all purposes be treated as the profits or losses of the Transferee Company as the case may be and that the Transferor Companies shall not alienate, charge or otherwise deal with the said undertaking or any part thereof except in the ordinary course of its business, without the consent of the Transferee Company and that the Transferor Companies shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business.

- 3.8 All legal proceedings by or against the Transferor Companies pending at the date on which this Scheme shall finally take effect, shall be continued and be enforced by or against the Transferee Company as the case may be.

#### **Contracts, Deeds, Bonds and Other Instruments**

- 3.9 Subject to the other provisions of this Scheme all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Companies is a party, subsisting or having effect immediately before this Scheme becomes finally effective, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto.
- 3.10 With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses, registrations, trademarks, patents, copy rights, privileges, powers, facilities, subsidies, rehabilitation schemes, special status



and other benefits or privileges (granted by any Government Body, local authority or by any other person of every kind and description of whatsoever nature in relation to the Transferor Companies or to the benefit of which the said Transferor Companies may be eligible, or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a beneficiary or obligee thereto.

3.11 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Companies shall stand vested in or transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all such statutory and regulatory permissions, licenses, approvals and consents including statutory licenses, approvals, permissions or approvals or consents required to carry on the operations of the said Transferor Companies shall vest in and become available to the Transferee Company pursuant to the Scheme.

3.12 The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the said Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required



or becomes necessary.

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

### **Continuation of Legal Proceedings**

3.14 With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies and pending on the Effective Date, transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Companies. The Transferee Company also undertakes to deal with all legal or other proceedings which may be initiated by or against the Transferor Companies or the Transferee Company after the Effective Date in respect of the period upto the Effective Date, in its own name and account and to the exclusion of the Transferor Companies, and further undertakes to pay all



amounts including interest, penalties, damages, etc., which the Transferor Companies may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period upto the Effective Date, and any reasonable costs incurred by the Transferor Companies in respect of such proceedings started by or against it relating to the period upto the Effective Date upon submission of necessary evidence by the Transferor Companies to the Transferee Company for making such payment.

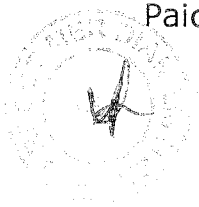
**Authorized, issued, subscribed and paid-up capital**

3.15 The share capital of the 1<sup>st</sup> Transferor Company as of 31<sup>st</sup> March, 2016 is as follows:

The Authorized Share Capital of the 1<sup>st</sup> Transferor Company is Rs.25,00,000/- (Rupees Twenty Five Lakhs only) divided into 2,50,000 Equity Shares of Rs. 10/- each. The Subscribed and Paid-up Capital of the 1<sup>st</sup> Transferor Company is Rs.25,00,000/- (Rupees Twenty Five Lakhs only) divided into 2,50,000 Equity Shares of Rs. 10/- each fully paid.

3.16 The share capital of the 2<sup>nd</sup> Transferor Company as of 31<sup>st</sup> March, 2016 is as follows:

The Authorized Share Capital of the 2<sup>nd</sup> Transferor Company is Rs.1,00,00,000/- (Rupees One Crore only) divided into 1,00,000 Equity Shares of Rs. 100/- each. The Subscribed and Paid-up Capital of the 2<sup>nd</sup> Transferor Company is



Rs.1,00,00,000/- (Rupees One Crore only) divided into 1,00,000 Equity Shares of Rs. 100/- each fully paid.

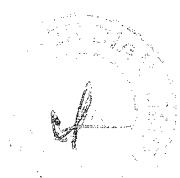
3.17 The share capital of the 3rd Transferor Company as of 31<sup>st</sup> March, 2016 is as follows:

The Authorized Share Capital of the 3<sup>rd</sup> Transferor Company is Rs. 5,00,000/- (Rupees Five Lakhs only) divided into 50,000 Equity Shares of Rs. 10/- each. The Subscribed and Paid-up Capital of the 3<sup>rd</sup> Transferor Company is Rs.5,00,000/- (Rupees Five Lakhs only) divided into 50,000 Equity Shares of Rs. 10/- each fully paid.

3.18 The share capital of the Transferee Company as of 31<sup>st</sup> March, 2016 is as follows:

The Authorized Share Capital of the Transferee Company is Rs.20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 Equity Shares of Rs. 10/- each. The Subscribed and Paid-up Capital of the Transferee Company is Rs.12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 Equity Shares of Rs. 10/- each fully paid.

In case of any changes in the Subscribed and Paid-up Share Capital of the Transferee Company during the period of pendency of the approval of the scheme till the effective date, the Subscribed and Paid-up Share Capital shall stand suitably modified of the Transferee Company.

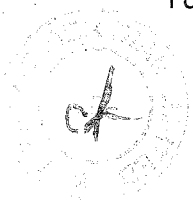


3.19 Upon the coming into effect of this Scheme:-

- a) Clause V of the Memorandum of Association of the transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to the applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause;

*"The Authorized Share Capital of the Company is Rs.21,30,00,000 (Rupees Twenty One Crores Thirty Lakhs only) divided into 2,13,00,000 (Two Crores Thirteen Lakhs only) Equity shares of Rs.10/-(Rupees Ten) each. The Company has power to increase or reduce the Capital and with liberty to divide the capital into several classes and to attach thereto respectively such preferential rights, privileges, or conditions in such manner as may be permitted by the Companies Act and as the company deems fit and necessary"*

- b) The Board of Directors (or any committee thereof) of the Transferor Companies shall without any further act, instrument or deed be and stand dissolved.
- c) Subject to an order being made by the Hon'ble High Court under Sections 391 and 394 of the Act (including corresponding applicable provisions of the Companies Act, 2013), the Transferor Companies shall be dissolved without the process of winding-up, upon the Scheme becoming effective in accordance with the provisions of the Act and rules made thereunder.



- d) The resolutions and/ or agreements, if any, of the Transferor Companies and/or Transferee Company which is valid and subsisting on the effective date shall continue to be valid and subsisting till the end of the period covered under the resolutions and/or agreements.
- e) With effect from the Appointed Date the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended. All the objects described under the main object clause of the Memorandum of Association of the Transferor Companies or any other main object introduced/modified by the Transferor Companies in between the appointed date and effective date shall be added/clubbed/included in addition to the main objects described under the main object clause of the Memorandum of Association of the Transferee Company to enable the Transferee Company to continue the activities of the Transferor Companies, as a going concern.

### **No Issue of Shares of Transferee Company**

3.20 The Transferee Company holds 100% of the issued, subscribed and paid-up capital of the Transferor Companies.

- a) Upon the Scheme becoming fully effective, the entire share capital of the Transferor Companies held by the Transferee Company and/or its nominees shall stand cancelled without any further application, act or deed and without allotment of any new shares by the Transferee Company.



## Accounting Treatment

3.21 Tax Treatment: Pursuant to the transfer of the Undertaking as provided under this Scheme, and subject to the provisions in the Scheme, all tax returns, filings, assessments, payments, deductions, withholding, rebates, benefits, incentives, set-offs, carry-forward tax losses, unabsorbed depreciation and other rights, liabilities and obligations whatsoever of the Transferor Companies, shall also be and stand transferred or deemed to be transferred, without further act, instrument, deed, matter or thing, to the Transferee Company, pursuant to the provisions of Companies Act so as to become as and from the Appointed Date, the rights, liabilities and obligations of the Transferee Company. The carry forward of the tax losses and unabsorbed depreciation of the Transferor Companies shall be available to the Transferee Company. The Transferee Company shall have the right to rectify tax returns and file revised tax returns and seek re-assessment or revisions in assessment or rectification of mistakes in filings, returns or assessment in respect of any period(s) prior to the Effective Date in the manner and to the same extent as would or might have been done by or against the Transferor Companies. For the purpose of giving effect to the provisions of this Clause, it shall not be necessary to obtain the consent of any third party or authority.

3.22 The Transferee Company shall upon the Scheme becoming effective, record the assets and liabilities of the Transferor Companies transferred to and vested in it pursuant to this Scheme

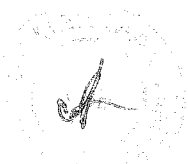
at their book values as appearing in the books of the Transferor Companies as at the close of business of a day immediately preceding the Appointed Date.

3.23 In respect of inter-company outstanding balances between the transferor companies and the transferee company shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the transferee company.

3.24 The excess/short fall in the book value of the assets over the value of the liabilities of the Transferor Companies transferred and vested in the Transferee Company pursuant to this Scheme shall be accounted for and dealt with in the books of the Transferee Company as its General Reserve or reflected as Good Will, as the case may be.

3.25 Notwithstanding anything contained in these clauses, all adjustments/accountings in the books of accounts of the Transferee Company due to the amalgamation of the Transferor Companies with the Transferee Company, shall be in accordance with the applicable prescribed Accounting Standard.

3.26 With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure arising or incurred by the Transferor Companies shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of the Transferee Company.





3.27 Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Act, shall without further act or deed stand enhanced by an amount being the aggregate liabilities of the Transferor Companies which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company.

### **Employees**

3.28 Upon the Scheme becoming effective, all the employees in service of the Transferor Companies, on the date immediately preceding the date on which this Scheme finally takes effect i.e. "The Effective date" shall become the employees of the Transferee Company on the basis that:

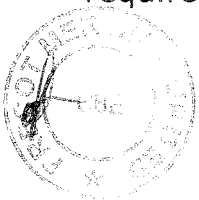
- a) Their services shall have been continuous and shall not have been interrupted by reason of amalgamation/merger.
- b) The terms and conditions of service applicable to the said employees after such transfer shall not in any way be less favourable than those applicable to them immediately before the transfer.
- c) It is expressly provided that as far as Provident Fund, Gratuity Fund, Super Annuation Fund or any other Special Fund created or existing for the benefit of the staff, workmen and the employees of the said Transferor Companies is 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 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 the said Transferor Companies under such Funds and Trusts shall be protected. It is clarified that the services of the employees of the said Transferor Companies will also be treated as having been continuous for the purpose of the aforesaid Funds.

#### **PART 4**

#### **General Terms**

- 4.1 The Transferor Companies ( being 100% wholly owned subsidiaries of the Transferee Company) shall, with all reasonable despatch, make applications / petitions under sections 391 and 394 and other applicable provisions of the Companies Act, 1956 ( including corresponding applicable provisions of the Companies Act, 2013) to the Hon'ble High Court for sanctioning this Scheme of Amalgamation/Merger and for dissolution of the Transferor Companies without winding up under the provisions of law, and obtain all approvals as may be required under law.

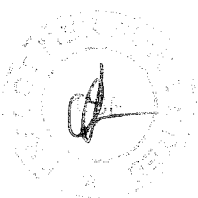


## **Modifications/Amendments to the Scheme**

- 4.2 The Transferor Companies and the Transferee Company through their respective Board of Directors or other persons duly authorized by the respective Boards in this regard, may make or assent to any alteration or modification to this Scheme or to any conditions or limitations, which the Hon'ble High Court or any other Competent Authority under law may deem fit to direct, approve or impose and may give such directions, as they may consider necessary, to settle any doubt, questions or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do all such acts, deeds, matters and things necessary for putting this scheme into effect.
- 4.3 After dissolution of the Transferor Companies, the Transferee Company by its Board of Directors or other persons, duly authorized by its Board in this regard, shall be authorized, to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the Hon'ble High Court or of any directive or order of any other authorities or otherwise, however, arising out of, under or by virtue of this Scheme and /or matters concerning or connected therewith.

## **Operative date of the Scheme**

- 4.4 The Scheme shall be operative with effect from the Appointed Date ie.1<sup>st</sup> April, 2016 but shall be effective from the Effective Date.



**Scheme conditional on approval/sanctions:**

4.5 This Scheme is conditional on and is subject to:-

- a) The sanction of the Hon'ble High Court under the applicable provisions of the Companies Act being obtained for this Scheme; and
- b) Such other sanctions and approvals as may be required by law and all necessary certified copies of the orders referred to in the Scheme being filed with the Registrar of Companies, Tamilnadu, Coimbatore.

**Effect of non-receipt of approvals/sanctions**

4.6 In the event of the Scheme not being sanctioned by the Hon'ble High Court and / or the order or orders not being passed as aforesaid before 30<sup>th</sup> September, 2017 or within such further period or periods as may be agreed upon between the Transferor Companies and the Transferee Company who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through, and by their respective Board of Directors, the Scheme shall become null and void and in that event no rights and liabilities shall, inter se accrue between the parties in terms of the Scheme.



## Expenses connected with the Scheme

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

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