

**SCHEME OF AMALGAMATION AND ARRANGEMENT**

**OF**

**WOCKHARDT BIOPHARM LIMITED**

**AND**

**VINTON HEALTHCARE LIMITED**

**WITH**

**WOCKHARDT LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS & CREDITORS**

**UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND THE  
RULES MADE THERE UNDER OR ANY OTHER SECTION FOR THE TIME  
BEING IN FORCE**

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**(i) PREAMBLE**

This Scheme of Amalgamation (the "Scheme") is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for amalgamation of Wockhardt Biopharm Limited And Vinton Healthcare Limited With Wockhardt Limited.

**(ii) RATIONALE AND PURPOSE OF THE SCHEME**

The integration of operations of Wockhardt Biopharm Limited and Vinton Healthcare Limited with Wockhardt Limited would have the following benefits:

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For WOCKHARDT LIMITED  
  
Nimesh S. Shah  
Company Secretary

- (i) Simplified corporate structure and improved management;
- (ii) Rationalization of administrative, operative and marketing cost;
- (iii) Post the amalgamation of Wockhardt Biopharm Limited and Vinton Healthcare Limited with Wockhardt Limited, Wockhardt Biopharm Limited and Vinton Healthcare Limited will be dissolved. Consequently, there would be less regulatory and legal compliance obligations including accounting, reporting requirements, statutory and internal audit requirements, tax filings etc and therefore reduction in administrative costs;
- (iv) The restructuring would facilitate improvement in organizational capabilities arising from the pooling of human resources with diverse skills, talent and vast experiences; and
- (v) The combined operations are expected to give rise to capital efficiency and improved cash flows.

**(iii) PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

Part I-dealing with definitions and share capital

Part II-dealing with amalgamation of Wockhardt Biopharm Limited and Vinton Healthcare Limited with Wockhardt Limited and

Part III-deals with General Terms and conditions



**Part I**  
**DEFINITIONS AND SHARE CAPITAL**

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**1. DEFINITIONS**

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

- 1.1. **'Act' or 'the Act'** means the Companies Act, 1956 and Companies Act, 2013 and rules made there under and shall include any statutory modification or re-enactment or amendment thereof for the time being in force. Any references to the provisions of the Companies Act, 1956 shall be construed to be references to the corresponding provisions of the said provisions in the Companies Act, 2013.
- 1.2. **'Appointed Date'** means, 1<sup>st</sup> day of April 2014 or such other date as the High Court may direct/fix and with effect from such Appointed Date, the scheme shall come into effect.
- 1.3. **'Board of Directors'** in relation to Wockhardt Biopharm Limited, Vinton Healthcare Limited and Wockhardt Limited respectively as the case may be, the Board of Directors of such an entity.
- 1.4. **'Effective Date'** means the date on which the certified true copies of the order of the High Court of Judicature at Bombay sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra and Mumbai by Wockhardt Biopharm Limited, Vinton Healthcare Limited<sup>1</sup> and Wockhardt Limited.
- 1.5. **'First Transferor Company'** means Wockhardt Biopharm Limited or WBL.
- 1.6. **'Second Transferor Company'**<sup>1</sup> means Vinton Healthcare Limited or VHL
- 1.7. **'Transferee Company'** means Wockhardt Limited or WL.

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<sup>1</sup> VHL has initiated the process of shifting its registered office from the State of Delhi to the State of Maharashtra and is in the process of obtaining the requisite approvals in this regard under Sections 13 and other applicable provisions of the Companies Act, 2013. It may be noted that the filing of application and petition pursuant to this scheme by Vinton Healthcare Limited will be made in the jurisdiction of the High Court of new registered office



- 1.8. **'Transferor Companies'** means collectively WBL and VHL.
- 1.9. **'Government'** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.
- 1.10. **'High Court'** means either the Honourable Bombay High Court, as the case may be, or such other competent authority or the National Company Law Tribunal to whom this Scheme in its present form is submitted for sanctioning under Sections 391 to 394 of the Act or any other section for the time being in force.
- 1.11. **'Scheme of Amalgamation' or 'Scheme' or 'the Scheme' or 'this Scheme'** means this Scheme of Amalgamation in its present form with any modification(s) made under Clause 17 of the Scheme as approved or directed by the High Court(s).
- 1.12. **'SEBI'** means Securities and Exchange Board of India.
- 1.13. **'Undertaking'** means and includes the whole of the undertaking / business of WBL and VHL, as a going concern, being carried on by WBL and VHL and shall include (without limitation):
- a) all the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building, all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, membership of professional associations, other associations and clubs, certificates, permissions, consents, approvals from state, central, municipal or any other authority for the time being in force, concessions (including but not limited to income-tax, excise duty, service tax or customs, and other incentives of any nature whatsoever), remissions, remedies, subsidies, guarantees, bonds, copyrights, patents, trade names, trade-marks and other rights and licenses including any applications in respect thereof, tenancy rights, leasehold rights, premises, ownership flats, hire purchase, lending arrangements, benefits of security



arrangements, security contracts, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, contracts, deeds, instruments, agreements and arrangements, powers, authorities, permits, registrations / licenses etc including pertaining to expatriates, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, preliminary expenses, benefit of deferred revenue expenditure, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax credits (including but not limited to credits in respect of income-tax, minimum alternate tax ie tax on book profits, fringe benefit tax, value added tax, sales tax, service tax, etc), tax benefits, and other claims and powers, all books of accounts, documents and records of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Companies, as on the date immediately preceding the Appointed Date;

- b) all the debts, present and future liabilities, payables, contingent liabilities, duties and obligations (including duties/ rights/ obligations under any agreement, contracts, applications, letters of intent or any other contracts) as on the date immediately preceding the Appointed Date; and
- c) all employees on the rolls of WBL and VHL on the closing hours of the date immediately preceding the Effective Date.

It is intended that the definition of Undertaking under this clause would enable the transfer of all property, assets, rights, duties, employees and liabilities of WBL and VHL into WL pursuant to this Scheme.

- 1.14. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Income-tax Act, 1961 or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.



## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court(s), unless otherwise specified in the Scheme, shall be operative from the Appointed Date but shall be effective from the Effective Date.

## 3. SHARE CAPITAL

3.1 The authorized, issued, subscribed and paid-up share capital of Transferee Company as on 31<sup>st</sup> March 2014 is as under:

<u>Particulars</u>	<u>Amount(Rs Cr)</u>
<b><u>Authorised Share Capital</u></b>	
250,000,000 Equity shares of Rs. 5/- each	125.00
2,000,000,000 Preference shares of Rs.5/- each	1,000.00
<b>Total</b>	<b>1,125.00</b>
<b><u>Issued, Subscribed and Paid up Capital</u></b>	
109,751,153 Equity shares of Rs. 5/- each fully paid up	54.88
121,454,927 Optionally Convertible Cumulative Redeemable Preference shares of Rs. 5/- each fully paid up	60.72
475,659,941 Non-Convertible Cumulative Redeemable Preference shares of Rs. 5/- each fully paid up	237.83
<b>Total</b>	<b>353.43</b>



- 3.2 The authorized, issued, subscribed and paid-up share capital of First Transferor Company as on 31<sup>st</sup> March 2014 is as under :

<u>Particulars</u>	<u>Amount(Rs Cr)</u>
<b><u>Authorised Share Capital</u></b>	
18,000,000 Equity shares of Rs. 10/- each.	18.00
6,000,000 Unclassified shares of Rs. 10/- each.	6.00
<b>Total</b>	<b>24.00</b>
<b><u>Issued, Subscribed and Paid up Capital</u></b>	
18,000,000 Equity shares of Rs. 10/- each	18.00
<b>Total</b>	<b>18.00</b>

The authorized, issued, subscribed and paid-up share capital of Second Transferor Company as on 31<sup>st</sup> March 2014 is as under :

<u>Particulars</u>	<u>Amount(Rs Cr)</u>
<b><u>Authorised Share Capital</u></b>	
10,000,000 Equity shares of Rs. 10/- each.	10.00
14,000,000 Redeemable Preference shares of Rs. 100/- each	140.00
<b>Total</b>	<b>150.00</b>
<b><u>Issued, Subscribed and Paid up Capital</u></b>	
10,000,000 Equity shares of Rs. 10/- each	10.00
982,819 7% Non-Convertible Non -- Cumulative Redeemable Preference shares of Rs. 100/- each	9.83
<b>Total</b>	<b>19.83</b>





**Part II**

**AMALGAMATION OF WOCKHARDT BIOPHARM LIMITED AND VINTON  
HEALTHCARE LIMITED WITH WOCKHARDT LIMITED**

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**4 TRANSFER AND VESTING OF UNDERTAKING**

4.1 Subject to the provisions of this Scheme as specified herein and with effect from the Appointed Date, the entire undertaking of the Transferor Companies shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

- (a) The Undertaking of the Transferor Companies comprising its business, all assets and liabilities of whatsoever nature and where-so-ever situated, shall, under the provisions of Sections 391 to Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b), (c) and (d) below), be 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 from the Appointed Date the undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Companies therein.

Provided that for the purpose of giving effect to the vesting order passed under Sections 391 to 394 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such properties (including immovable properties) of the Transferor Companies in accordance with the provisions of Sections 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

- (b) All the movable assets including cash in hand, if any, of the Transferor Companies, capable of passing by manual delivery or constructive delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the





case may be, to the Transferee Company. The plant and machinery of the Transferor Companies, which are fastened to land and/or buildings continue to remain movable properties inter alia because the said plant and machinery are fastened to land only with a view to have better enjoyment of the movable properties.

- (c) In respect of all movables other than those specified in sub-clause (b) above, including sundry debtors, deferred tax asset, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and /or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 391 to 394 of the Act.
- (d) In relation to the assets, properties and rights including rights arising from contracts, deeds, instruments and agreements, if any, belonging to the Transferor Companies, which require separate documents of transfer including documents for attainment or endorsement, as the case may be, the Transferee Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case may be, as and when required.
- (e) With effect from the Appointed Date, all debts, liabilities (including deferred tax liability), duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Companies shall also, under the provisions of Sections 391 to Section 394 of the Act or any other section for the time being in force , without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company 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 debts,



liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the creditors/lenders of the Transferor Companies or in favour of any other party to the contract or arrangement to which the Transferor Companies is a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Companies as well as to implement and carry out all such formalities and compliances referred to above.

- (f) The transfer and vesting of the Undertaking of the Transferor Companies as aforesaid shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Companies.

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

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



extend, to any of the assets of the Transferor Companies vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Companies with the Transferee Company under the Scheme and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

- (g) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed (including tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax and other incentives), granted by any Government body, local authority or by any other person and availed of to the Transferor Companies are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.
  - (h) Loans, payables or other obligations, if any, due between or amongst the Transferor Companies and the Transferee Company shall stand discharged and there shall be no liability in that behalf with effect from the Appointed Date.
  - (i) Where any of the liabilities and obligations/assets attributed to the Transferor Companies on the Appointed Date has been discharged/sold by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company.
  - (j) From the Effective Date and till such time that the names of the bank accounts of the Transferor Companies are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies, in its name, in so far as may be necessary.
- 4.2 The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor



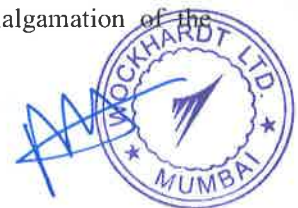
Companies, to implement and carry out all formalities and compliances, if required, referred to above.

- 4.3 All registrations, benefits, incentives, exemptions etc which the Transferor Companies is eligible for and / or which are actually availed by the Transferor Companies [including Import Export Code, customs duty benefits on import of capital equipment and spares, customs duty benefits on import of raw materials and consumables, excise duty benefits on purchases made from local manufacturers in India, service tax registration, registrations / licenses etc pertaining to expatriates would be transferred to the Transferee Company on the Transferee Company intimating the concerned authority or undertaking the necessary actions for the transfer and / or the Board of the Transferee Company would be authorized to seek approval or enter into agreement with the concerned authority and /or undertake such other activity as is necessary for being eligible for such registrations, benefits, incentives, exemptions, etc as were availed by Transferor Companies.

## **5 LEGAL AND OTHER PROCEEDINGS**

- 5.1 Upon the Scheme becoming effective, all legal and other proceedings including before any statutory or quasi-judicial authority or tribunal of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date shall be continued and/or enforced by or against the Transferee Company only, to the exclusion of the Transferor Companies in the manner and to the same extent as would have been continued and enforced by or against the Transferor Companies. On and from the Effective Date, the legal proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the



Transferor Companies with the Transferee Company or anything contained in the Scheme.

- 5.2 On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Companies in the same manner and to the same extent as would or might have been initiated by the Transferor Companies.
- 5.3 After the Appointed Date, if any proceedings are taken against the Transferor Companies above, the same shall be defended by and at the cost of the Transferee Company.

## **6 CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 6.1 Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, instruments, licenses, engagements, certificates, permissions, consents, approvals, concessions and incentives (including but not limited to tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax and other incentives), remissions, remedies, subsidies, guarantees and other instruments, if any, of whatsoever nature to which the Transferor Companies are party or to the benefit of which the Transferor Companies may be eligible and which have not lapsed and are subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or



carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

## **7. SAVING OF CONCLUDED TRANSACTIONS**

- 7.1 The transfer of the Undertaking of the Transferor Companies under Clause 4 above and the continuance of proceedings by or against the Transferee Company under Clause 5 above and the effectiveness of contracts and deeds under Clause 6 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Companies on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself.

## **8. STAFF, WORKMEN AND EMPLOYEES**

- 8.1 On the Scheme coming into effect, all staff, workmen and employees (including those on sabbatical / maternity leave) of the Transferor Companies in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date without any break or interruption in their service and on the terms and conditions not less favorable than those applicable to them with reference to the Transferor Companies on the Effective Date.
- 8.2 Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947.
- 8.3 In the event of retrenchment of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall





have been continuous and shall not have been interrupted by reason of such transfer;

8.4 It is expressly provided that, in so far as the Gratuity Fund, Provident Fund, Super Annuation Fund or any other Special Scheme(s)/Fund(s) (hereinafter referred as "Fund or Funds") created or existing for the benefit of the staff, workmen and employees of the Transferor Companies is concerned, upon the Scheme coming into effect, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Fund or Funds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such Fund or Funds shall become those of the Transferee Company and all the rights, duties and benefits of the staff, workmen and employees of the Transferor Companies under such Fund or Funds shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous for the purpose of the said Fund or Funds and for other benefits such as long service awards.

8.5 In so far as the Fund or Funds created or existing for the benefit of the employees of the Transferor Companies are concerned upon the coming into effect of this Scheme, balances lying in the accounts of the employees of the Transferor Companies in the said Fund or Funds as on the Effective Date shall stand transferred from the respective Fund or Funds of the Transferor Companies to the corresponding Fund or Funds set up by the Transferee Company.

## **9 BUSINESS AND PROPERTY IN TRUST FOR TRANSFEE COMPANY**

9.1 With effect from the Appointed Date upto and including the Effective Date:





- (a) The Transferor Companies shall carry on and be deemed to have carried on its business and activities and shall stand possessed of whole of its undertaking, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- (b) Any income or profit accruing or arising to the Transferor Companies and all costs, charges, expenses and losses or taxes (including but not limited to advance tax, tax deducted at source, tax on book profits credit, taxes withheld/paid in a foreign country, etc), incurred by the Transferor Companies shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

9.2 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Companies as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of the Transferor Companies, and all liabilities debts, duties, obligations which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.

## **10 CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

10.1 With effect from the Appointed Date and upto the Effective Date:

- (a) The Transferor Companies shall carry on its business with reasonable diligence and in the same manner as it has been doing hitherto, and the Transferor Companies shall not alter or substantially expand its business except with the written concurrence of the Transferee Company.
- (b) The Transferor Companies shall not, without the written concurrence of the Transferee Company, alienate, charge or encumber its undertaking(s)/ business or part of its undertaking(s)/business, except in the ordinary



course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of the Transferor Companies.

- 10.2 On and after the Appointed Date and until the Effective Date, the Transferor Companies shall not without the prior written approval of the Board of Directors of the Transferee Company except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise.
- 10.3 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorised to carry on the businesses carried on by the Transferor Companies.
- 10.4 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Companies.

## 11 COMPLIANCE WITH TAX LAWS

- 11.1 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, 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 and other relevant provisions of the Income-tax Act, 1961.
- 11.2 On or after the Effective Date, the Transferor Companies and the Transferee Company are expressly permitted to revise, its financial statements and returns



along with prescribed forms, filings and annexures under the Income-tax Act, 1961, Wealth-tax Act, 1957 (including for the purpose of re-computing tax on book profits, fringe benefit tax, wealth tax purposes and claiming other tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.

- 11.3 All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date and relating to the Transferor Companies shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or anything contained in the Scheme.

- 11.4 Any tax liabilities under the Income-tax Act, 1961, Wealth-tax Act, 1957, Customs Act 1962, Service Tax laws, applicable State Value Added Tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the Transferor Companies 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 Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

- 11.5 Any refund under the Income-tax Act, 1961, Wealth-tax Act, 1957, Customs Act 1962, Service Tax laws, applicable State Value Added Tax laws or other



applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the Transferor Companies and due to Transferor Companies consequent to the assessment made on Transferor Companies for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

- 11.6 All taxes including income-tax, tax on book profits, fringe benefit tax, sales tax, excise duty, custom duty, service tax, value added tax, etc paid or payable by the Transferor Company in respect of the operations and/ or the profits of the Undertaking before the Appointed Date, shall be on account of the Transferor Companies and, in so far as it relates to the tax payment (including, without limitation, income-tax, tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by Transferor Companies/ Transferee Company on payables to Transferee Company/ Transferor Companies respectively which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 11.7 Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies under the Income-tax Act, 1961, Wealth-tax Act, 1957, service tax laws, customs law, state value added tax or other applicable laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 11.8 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, service tax, applicable state value added tax etc.) to which the Transferor Companies is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company.



**12 CONSIDERATION**

- 12.1 Transferor Companies are wholly owned (100%) subsidiaries of Transferee Company. Hence, on amalgamation no separate consideration shall be paid by the Transferee Company to the Shareholders of the Transferor Companies and no shares shall be issued by the Transferee Company to any person in consideration of or consequent upon the amalgamation and the paid up share capital of the transferor Companies shall be extinguished upon the scheme being effective.

**13 DISSOLUTION OF THE TRANSFEROR COMPANIES**

- 13.1 On the Scheme coming into effect, the Transferor Companies shall, without any further actor deed, stand dissolved without winding up.

**14 ACCOUNTING TREATMENT**

- 14.1 On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Companies in its books of account with effect from the Appointed Date.
- 14.2 Amalgamation of the Transferor Companies with the Transferee Company shall be accounted for in accordance with "Pooling of Interest Method" of accounting as per Accounting Standard - 14 as notified under Section 211 (3C) of the Act.
- 14.3 The Transferee Company shall upon the Scheme coming into effect and with effect from Appointed Date, record the assets, liabilities and reserves (excluding share capital) of the Transferor Companies vested in it pursuant to this Scheme, at the respective book values thereof and in the same form as appearing in the books of the Transferor Companies at the close of business of the day immediately preceding the Appointed Date
- 14.4 Amount of share capital of the Transferor Companies and Investment held by the Transferee Company in Transferor Companies shall be adjusted against each other and difference if any shall be debited to general reserve account and credited to capital reserve account of the Transferee Company.



- 14.5 All inter-corporate deposits, loans and advances, outstanding balances or other obligations between the Transferee Company and the Transferor Companies shall be cancelled and there shall be no obligation/outstanding in that behalf.
- 14.6 In case of any difference in accounting policy between the Transferee Company and the Transferor Companies, the impact of the same till the Appointed Date will be quantified and adjusted in the reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

**15 AUTHORISED CAPITAL OF TRANSFEREE COMPANY POST MERGER**

Upon the scheme coming into effect, the Authorised share capital of the Transferee Company will be as follows:

<u>Particulars</u>	<u>Amount(Rs Cr)</u>
<b><u>Authorised Share Capital</u></b>	
250,000,000 Equity shares of Rs. 5/- each	125.00
2,000,000,000 Preference shares of Rs.5/- each	1,000.00
<b>Total</b>	<b>1,125.00</b>

Further, it is not intended to combine the Authorised share capital of the Transferor companies with that of the Transferee Company.



**Part-III**

**GENERAL TERMS AND CONDITIONS**

**16 APPLICATIONS TO THE HIGH COURT OR SUCH OTHER APPROPRIATE AUTHORITY**

16.1 The Transferee Company shall file this Scheme with the National Stock Exchange of India Limited and BSE Limited wherein their shares are listed in accordance with the Listing Agreements and obtain approval or deemed approvals of such Stock Exchanges, if any.

16.2 The Transferor Companies shall, with all reasonable dispatch, make applications / petitions to the High Courts or such other appropriate authority under Sections 391 to 394 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the members and/or creditors of the Transferor Companies as may be directed by the respective High Courts or such other appropriate authority.

16.3 On the Scheme being agreed to by the requisite majorities of the classes of the members and/or creditors of the Transferor Companies, whether at a meeting or otherwise, as directed by the High Court(s) or such other appropriate authority, the Transferor Companies shall, with all reasonable dispatch, apply to the High Court(s) or such other appropriate authority for sanctioning the Scheme under Sections 391 to 394 of the Act, and for such other order or orders, as the said High Court(s) or such other appropriate authority may deem fit for carrying this Scheme into effect and for dissolution of the Transferor Companies without winding-up.

**17 MODIFICATIONS/AMENDMENTS TO THE SCHEME**

17.1 The Transferor Companies and the Transferee Company, through their Directors or Committee of Directors or through any Director (s) or Company Secretary





authorized in that regard, may consent on behalf of all persons concerned, to any modifications or amendments of this Scheme or to any conditions which the High Courts and/or any other Authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise in carrying out this Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect, subject to approval of Honorable High Court.

- 17.2 For the purpose of giving effect to this Scheme or to any modification, amendment or condition thereof, the Directors of the Transferee Company are authorized to give such directions and/or to take such step as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

## 18 REVOCATION OF THE SCHEME

- 18.1 The Scheme is and shall be conditional upon and subject to :

- (a) The Scheme being agreed to by the requisite majority of the respective classes of members and/or creditors of each of the Transferor Companies as required under the Act and the requisite orders of the High Court being obtained;
- (b) Such other consents, sanctions and approvals as may be required by law in respect of the Scheme being obtained; and
- (c) The certified copies of the Orders of the High Courts sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra Mumbai.

- 18.2 In the event of any of the approvals or conditions required to be obtained or fulfilled are not obtained or complied with within such period or periods as may be agreed upon by and between the Transferor Companies and the Transferee Company (through their respective Board of Directors) the Scheme shall become null and void and in that event no rights or liabilities whatsoever shall accrue to



or be incurred inter se between the Transferor Companies and the Transferee Company.

If any part of this Scheme hereof is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that 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 party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

18.1 Further, the Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if such boards are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on either or both of the companies.

18.3 The Transferor Companies and the Transferee Company shall be at liberty to withdraw from this Scheme, in case any condition or alteration imposed by the High Court(s) or any other authority is not on terms acceptable to them.

## 19 COSTS, CHARGES AND EXPENSES

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

