

**SCHEME OF ARRANGEMENT
BETWEEN
AMRIT AGRO INDUSTRIES LIMITED (“AAIL”)
AND
AMRIT BANASPATI COMPANY LIMITED (“ABCL”)
AND THEIR RESPECTIVE SHAREHOLDERS**

PART I – INTRODUCTION, DEFINITIONS, RATIONALE & INTERPRETATION

1.1 INTRODUCTION

This Scheme of Arrangement provides for the amalgamation of Amrit Agro Industries Limited (CIN: L01111UP1985PLC010776) with Amrit Banaspati Company Limited (CIN: U51909UP1985PLC056366). The Scheme also provides an exit opportunity to the Public Shareholders of the Transferor Company as the Equity Shares of the Transferor Company have been delisted consequent to Transferor Company moving to the Dissemination Board of the NSE Limited pursuant to de-recognition of the UP Stock Exchange Limited, Ludhiana Stock Exchange Limited and Delhi Stock Exchange Limited, where the equity shares of the Transferor Company were earlier listed. The Scheme is made pursuant to the provisions of Sections 391 to 394 read with Sections 100 to 103 and other relevant provisions of the Companies Act, 1956 and the corresponding provisions of the Companies Act, 2013.

1.2 DEFINITIONS

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

- (a) **“Act”** means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force and includes the applicable provisions of Companies Act, 2013, if any, and applicable rules made there under. In case the relevant provisions of the Companies Act, 2013 are notified and made effective prior to the Effective Date being achieved, this Scheme shall be deemed to have been passed under the relevant provisions of Companies Act, 2013 and all references to the Act, sections and rules therein shall be deemed to include a reference to the relevant provisions of the Companies Act, 2013 and rules made there under;

- (b) **“Appointed Date”** for the purposes of this Scheme means 1st day of April, 2016 or such other date as the Hon’ble High Court of Judicature at Allahabad or any other relevant authority empowered to approve the Scheme as per the law for the time being in force may direct;
- (c) **“Board”** or **“Board of Directors”** means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors;
- (d) **“Effective Date”** shall be the last of the following dates or such other date as the Hon’ble High Court of Judicature at Allahabad or any other relevant authority empowered to approve the Scheme as per the law for the time being in force may direct, namely:
 - (i) the date on which last of the consents, approvals, sanctions and/ or orders as are hereinafter referred to in Para 5.5, of this Scheme have been obtained; and
 - (ii) The date on which the certified copy of the order, under section 394 of the Act, of the Hon’ble High Court of Judicature at Allahabad or any other relevant authority empowered to approve the Scheme as per the law for the time being in force sanctioning the Scheme is filed with the Registrar of Companies, Uttar Pradesh, Kanpur;

References in this Scheme to the date of the “coming into effect of this Scheme” or “effectiveness of this Scheme” shall mean the Effective date);

- (e) **“High Court”** means the Hon’ble High Court of Judicature at Allahabad having jurisdiction in respect of both the Transferor and the Transferee Companies or any other relevant authority empowered to approve the Scheme as per the law for the time being in force;
- (f) **“Public Shareholders”** means the 3,589 shareholders (other than the Promoters) holding 35.84% of the paid up equity share capital of the Transferor Company (or such number of shareholders as on the Record Date).
- (g) **“Record Date”** means the date to be fixed by the Board of Directors

of the Transferee Company after the Effective Date for the purpose of determining the eligibility of shareholders of the Transferor Company for issuance of equity shares to the Promoters and redeemable preference shares to the Public Shareholders.

- (h) **“ROC”** means Registrar of Companies, Uttar Pradesh, Kanpur, in respect of both the Transferor and the Transferee Companies;
- (i) **“Scheme”** means this Scheme of Arrangement in its present form, with or without any amendment or modifications, as approved or sanctioned by the High Court;
- (j) **“SEBI”** means Securities and Exchange Board of India;
- (k) **“Transferee Company”** or **“ABCL”** means Amrit Banaspati Company Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at A-95, Sector-65, Noida – 201309, Uttar Pradesh; and wherever the reference so requires, shall include its successors;
- (l) **“Transferor Company”** or **“AAIL”** means Amrit Agro Industries Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at CM-28 (First Floor), Gagan Enclave, Amrit Nagar, G T Road, Ghaziabad – 201009, Uttar Pradesh.

1.3 RATIONALE FOR THE SCHEME

- (a) Both the Transferor and the Transferee Companies are engaged in the same business activities i.e. trading of commodities & other products and holding of investments in Group companies as well as in other financial instruments. Both the companies have been promoted by the same promoters. The merger of AAIL with ABCL would result in following benefits:
 - i) Enable the two companies to consolidate their business operations and provide significant impetus to their growth since both the companies are engaged in the similar areas of business;
 - ii) Result in enhancing the scale of operations and reduction in overheads, administrative, managerial and other expenditure, operational rationalization, organizational efficiency, and optimal utilization of various resources;

- iii) Result in improved shareholder value for both the companies by way of improved financial structure and cash flows, increased asset base and stronger consolidated revenue and profitability;
 - iv) Consolidation of managerial expertise of the companies will facilitate greater focus and utilization of resources.
- (b) The Transferor Company incorporated in the year 1985 made initial public offering of equity shares which were listed with stock exchange at Delhi Stock Exchange Ltd. Subsequently, the shares were also listed with the U.P. Stock Exchange Ltd. and Ludhiana Stock Exchange Ltd. All the above three stock exchanges have become non-operational and are derecognized now in terms of SEBI circular dated May 30, 2012. SEBI vide its circulars No. CIR/MRD/DSA/14/2012 dated May 30, 2012, No. CIR/MRD/DSA/18/2014 dated May 22, 2014 and No. CIR/MRD/DSA/05/2015 dated April 17, 2015, inter-alia, stated that the companies exclusively listed on the non-operational/derecognized stock exchanges which fail to obtain listing in any other nationwide stock exchange will cease to be listed companies and will be moved to the Dissemination Board. Consequently, the Transferor Company has been moved to the Dissemination Board of NSE Limited. The above circulars also provide that an exit opportunity be given to the shareholders. Through the scheme it is proposed to provide an exit opportunity to the Public Shareholders of the Transferor Company by way of issue and allotment of redeemable preference shares to the Public Shareholders (other than promoters) of the Transferor Company which will be redeemed by the Transferee Company at the Fair Value determined by an Independent Valuer. This will reduce the cost of the Transferee Company involved in handling and servicing large number of small shareholders.
- (c) The Scheme shall be beneficial and in the best interest of shareholders, creditors and employees of both the Transferor as well as the Transferee companies.

1.4 INTERPRETATION

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 and other applicable laws, rules, regulations, bye-laws, as the case may be including any statutory amendments thereto or re-enactment thereof.

PART II – SHARE CAPITAL

- 2.1 The position of the Authorized, Issued, Subscribed and Paid up Capital of the Transferor and Transferee Company as on 31st March, 2016 are as follows:

Name of the Company	Authorized Share Capital	Issued, Subscribed and Paid Up Capital
Amrit Agro Industries Limited (“Transferor Company”)	Rs. 7,00,00,000/- (Rupees Seven Crore) consisting of 70,00,000 (Seventy Lacs) equity shares of Rs. 10/- (Rupees Ten) each.	Rs. 3,00,00,000/- (Rupees Three Crore) consisting of 30,00,000 (Thirty Lacs) equity shares of Rs. 10/- (Rupees Ten) each.
Amrit Banaspati Company Limited (“Transferee Company”)	Rs. 25,52,00,000/- (Rupees Twenty five crores and fifty two lacs) consisting of 2,25,20,000 (Two crores, twenty five lacs and twenty thousand) equity shares of Rs. 10/- (Rupees Ten) each and 30,00,000 (Thirty Lacs) –7% Redeemable Preference Shares of Rs. 10/- (Rupees Ten) each.	Rs. 9,83,38,590/- (Rupees Nine crore, eighty three lacs thirty eight thousand five hundred and ninety only) consisting of 95,51,687 (Ninety five lacs fifty one thousand six hundred & eighty seven) equity shares of Rs. 10/- (Rupees Ten) each and 2,82,172 Two lacs eighty two thousand one hundred & seventy two) 7% redeemable Preference Shares of Rs. 10/- each

- 2.2 There is no change in the capital structure of the Transferor Company or the Transferee Company after 31st March, 2016 till the date of this Scheme being approved by the respective Board of Directors.
- 2.3 It is provided that till the Scheme becomes effective both the companies i.e. Transferor Company and the Transferee Company, are free to alter their share capital as required by respective businesses, subject to the necessary approvals from their respective Board of Directors and shareholders, if required.

<p style="text-align: center;">PART III – RE-ORGANIZATION OF SHARE CAPITAL OF TRANSFEROR COMPANY</p>

- 3.1 The Transferor Company made initial public offering of equity shares in the year 1990 which were listed with stock exchange at Delhi Stock Exchange Ltd. Subsequently, the shares were also listed with the U.P. Stock Exchange Ltd. and Ludhiana Stock Exchange Ltd. All the above three stock exchanges have become non-operational and are derecognized now in terms of SEBI circular dated May 30, 2012. SEBI vide its circulars No. CIR/MRD/DSA/14/2012 dated May 30, 2012, No. CIR/MRD/DSA/18/2014 dated May 22, 2014 and No. CIR/MRD/DSA/05/2015 dated April 17, 2015, inter-alia, stated that the companies exclusively listed on the non-operational/de-recognized stock exchanges which fail to obtain listing in any other nationwide stock exchange will cease to be listed companies and will be moved to the dissemination board. Consequently, the Transferor Company has been moved to the Dissemination Board of NSE Limited.
- 3.2 The above SEBI circulars also provide that an exit opportunity be given to the public shareholders. Through the Scheme, it is proposed to provide an exit opportunity to the Public Shareholders of the Transferor Company so that the Public Shareholders are paid Fair Value of the equity shares held by them in the Transferor Company. Presently, the Promoters of the Transferor Company hold 19,24,697 equity shares of Rs. 10/- each constituting 64.16% of the paid up share capital and the Public Shareholders numbering 3,589 hold 10,75,303 equity shares of Rs. 10/- each constituting 35.84% of the paid up share capital of the Transferor Company.
- 3.3 Upon the Scheme becoming operative and before giving effect to the other parts of the Scheme, an exit opportunity will be provided to the Public Shareholders by way of re-organization of Transferor Company's share capital by issue and allotment of redeemable preference shares to the Public Shareholders as under :
- (i) The Transferor Company shall, without any further application or deed, issue and allot 1 (One) Redeemable Preference Shares of Rs. 10/- each, on the terms and conditions given hereunder, to the Public Shareholders credited as fully paid-up for every 1 (One) fully paid-up equity share of face value of Rs. 10/- held by the public shareholders on the Record Date for reorganization of the share capital of the Transferor Company. These preference shares will be redeemed at a premium of Rs. 50/-(Rupees fifty only) per preference share (i.e. at the total redemption amount of Rs 60/- per share) not later than one year from the date of allotment. The redemption

proceeds reflect the fair value of the equity share held by the Public Shareholders and the same together with dividend @ 7% will be sent to all the preference shareholders after the Record Date for redemption of preference shares without any further application, act or deed. The fair value of the equity shares of Transferor Company has been recommended by M/s SSPA & Co., Chartered Accountants, Mumbai and supported by fairness opinion given by M/s Inga Capital Pvt. Ltd., Mumbai, SEBI Registered Category I Merchant Banker.

- (ii) The terms and conditions for issue of 7% Redeemable Preference Shares (“RPS”) shall be as under :-

Dividend Rate of RPS	7% on RPS of the face value of Rs. 10/- each.
Tenure of RPS	Not later than 1 (one) Year from the date of allotment, at the discretion of ABCL
Listing of RPS	The RPS shall not be listed on any Stock Exchange.
Redemption terms of RPS	The Redeemable Preference Shares would be redeemed at a premium of Rs. 50/- Rupees forty five only) per share (i.e. at the total redemption amount of Rs. 60/- per share). The redemption proceeds together with dividend @ 7% will be given to all the preference shareholders not later than one (1) year from the date of allotment, as the Board of Directors may decide.

- (iii) The share certificates of the Transferor Company in relation to the equity shares held by the Public Shareholders shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled pursuant to the reorganization of the share capital as above and new share certificates for 7% Redeemable Preference Shares will be issued.
- (iv) The re-organization of the paid-up equity share capital and issuance of 7% Redeemable Preference Shares to the public shareholders, which constitutes reduction of capital, shall be effected as a part of the Scheme only as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, and the order of the Court sanctioning the Scheme shall be deemed to be an order under Sections 100- 103 of the Act confirming the reduction.

<p style="text-align: center;">PART IV – MERGER OF TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY</p>
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- 4.1 Upon the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of the Scheme, including in relation to the mode of transfer or vesting, the entire business of the Transferor Company including all movable and immovable properties, if any, tangible and intangible properties including but not limited to actionable claims, assets, buildings, offices, computers, furniture & fixtures, office equipments, communication, inventories including but not limited to inventories, material in transit, debtors, loans & advances, cash in hand, cash at bank, bank balances, security deposits, Inter Corporate Deposits (ICD's), investments of all kinds including but not limited to investments made in the equity shares, preference shares, debentures, bonds, mutual funds and other financial instruments/ securities and also as share application money, lease and hire purchase contracts, licensing arrangements, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licenses, registrations, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements, and privileges, if any of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to intellectual property rights of any nature whatsoever, permits, approvals, authorizations, rights to use telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements and all other interests (hereinafter referred to as **"said Assets"**) shall be transferred to and stand vested in and/ or be deemed to be transferred to and stand vested in the Transferee Company as a going concern pursuant to the provisions of section 391 to 394 and other applicable provisions of the Act, so as to become on, and from the Appointed Date, the estate, assets, rights, title and interests of the Transferee Company and its successors.
- 4.2 All the said Assets that have accrued or which may accrue to the Transferor Company on or after the Appointed Date shall pursuant to the provisions of section 394 of the Act and without any further act, instrument or deed, be transferred to and stand vested in and/ or be deemed to have been transferred to and vested in and be available to the Transferee Company and its successors.
- 4.3 Without prejudice to Clause 4.1 and 4.2 above, after the Scheme becomes effective, in respect of such of the said Assets of the Transferor Company as

are movable in nature, or incorporeal property, or are otherwise capable of transfer by manual delivery or by endorsement and delivery including but not limited to the securities held by the Transferor Company in dematerialized mode, the same may be so transferred to the Transferee Company and its successors and shall upon such transfer become the property and an integral part of the Transferee Company. In respect of such of the said Assets other than those referred hereinabove, the same shall, without any further act, instrument or deed, be transferred and vested in and/ or be deemed to be transferred to and vested in the Transferee Company pursuant to an order being made thereof under section 394 of the Act.

- 4.4 With effect from the Effective Date, the Transferee Company shall be liable for ground rent and municipal taxes in relation to properties subject to such taxes, if any. The mutation of title to the immovable properties shall be made and duly recorded by appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective in accordance with terms hereof in favour of the Transferee Company.
- 4.5 (a) All the licenses, permits, quotas, approvals, permissions, incentives, minimum alternate tax credit, or any such similar tax credit, by whatever name called, sales tax deferrals, brought forward business losses, loans, subsidies, concessions, grants, rights, claims including but not limited to actionable claims, leases, tenancy rights, liberties, and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued, which may accrue to the Transferor Company shall, pursuant to the provisions of section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company and its successors, so as to become as and from the Appointed Date the licenses, permits, quotas, approvals, permissions, incentives, minimum alternate tax credit, or any such similar tax credit, by whatever name called, sales tax deferrals, brought forward business losses, loans, subsidies, concessions, grants, rights, claims including but not limited to actionable claims, leases, tenancy rights, liberties and other benefits or valid, effective and enforceable on the same terms and conditions to the extent permissible under law and shall be duly and appropriately mutated or endorsed by the authorities concerned therewith in favour of the Transferee Company.
- (b) The tax deducted at source (TDS)/ advance tax, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other

statute in respect of income of the Transferor Company assessable for the period commencing from Appointed date shall be deemed to be the tax deducted from/ advance tax paid by the Transferee Company and credit for such TDS/ advance tax shall be allowed to the Transferee Company and its successors notwithstanding that certificates or challans for TDS/ advance tax are in the name of the Transferor Company and not in the name of the Transferee Company or its successors, as the case may be.

- (c) The income tax, including the minimum alternate tax paid on the book profits, or any such similar tax, by whatever name called, if any, paid by the Transferor Company on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of the Transferee Company and its successors. The Transferee Company and its successors shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date notwithstanding that the period for filing such return may have elapsed. Further, the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company for any year, if so necessitated or consequent to this Scheme; notwithstanding that the time prescribed for such revision may have elapsed.
- (d) The wealth tax, if any, paid by the Transferor Company in respect of the valuation date under the Wealth Tax Act, 1957, on or after the Appointed Date shall be deemed to have been paid by the Transferee Company. The Transferee Company shall, after the Scheme becomes effective, be entitled to file the wealth tax return for the relevant valuation date notwithstanding that the time prescribed for filing such returns may have lapsed. Further the Transferee Company shall, after the Scheme becomes effective, be entitled to revise the wealth tax returns, if any, filed by the Transferor Company for any year if so necessitated or consequent to this Scheme; notwithstanding that the time prescribed for such revision may have elapsed.
- (e) Similarly, any other taxes including but not limited to service tax, value added tax, sales tax, paid by the Transferor Company, if any, on or after the Appointed Date, in respect of the period after such date shall be deemed to have been paid by or for the benefit of the Transferee Company. The Transferee Company shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date,

notwithstanding that the time prescribed for filing such return may have elapsed. Further, the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Transferor Company for any year, if so necessitated or consequent to this Scheme notwithstanding that the time prescribed for such revision may have elapsed.

(f) Without prejudice to generality of the aforesaid, concessional or statutory forms under the laws of the Central or State Sales Tax or Value Added Tax (VAT), or local levies issued or received by the Transferor Company, if any in respect of period commencing from the Appointed Date shall be deemed to be issued or received in the name of the Transferee Company and benefit of such forms shall be allowable to the Transferee Company in the same manner and to the same extent as would have been available to the Transferor Company.

- 4.6 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company shall stand transferred by the order of the Hon'ble Court to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning court.
- 4.7 Upon coming into effect of the Scheme, all patents, trademarks, copyright, if any, registered with the authorities concerned or applications submitted at any time on or before the Effective Date by the Transferor Company shall stand transferred and vested along with the undertaking in the name of Transferee Company, without any further act or deed. The Transferee Company, however, shall after the Scheme becoming effective file the relevant intimation(s) with the concerned statutory authority(ies) who shall take them on record pursuant to vesting orders of the sanctioning authority.
- 4.8 With effect from the Effective Date and until such time the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in its name, in so far as may be necessary.
- 4.9 The Transferee Company, at any time after the coming into effect of this Scheme, may execute deeds of confirmation in favour of any party to any contract or arrangement to which any of the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal

effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writing on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company to be carried out or performed.

4.10 Upon the coming into effect of the Scheme and with effect from the Appointed Date:

- (a) All secured and unsecured debts, liabilities including contingent liabilities, whether disclosed or undisclosed, duties taxes and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon (hereinafter referred to as the “said liabilities”) shall also vested or be deemed to be and stand vested, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of section 394 of the said Act so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further, that it shall not be necessary to obtain separate 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 clause. It is clarified that in so far as the said Assets of the Transferor Company are concerned, the security or charge over said Assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Company, shall without any further act deed continue to relate to such Assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of the Transferee Company, save to the extent warranted by the terms of the existing security arrangements to which the Transferor Company and the Transferee Company are party, and consistent with the joint obligations assumed by the under such arrangement.
- (b) All debentures, bonds, notes or other securities, other than equity share capital, issued by the Transferor Company, if any, either before the Appointed Date or after the Appointed Date until the Effective Date (hereinafter referred to as “Transferor’s Securities”) shall without any further act, instrument or deed become securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against the Transferee Company as if it were the respective Transferor Company in respect of the Transferor’s Securities so transferred.

- (c) Loans, advances, including capital advances, and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between any of the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf on either party.
- (d) The investment of the Transferor Company in the equity share capital of the Transferee Company shall stand cancelled against the reduction of share capital of the same amount, being the paid up equity share capital of the Transferee Company held by the Transferor Company as a consequence of merger/amalgamation of the Transferor Company with the Transferee Company and the respective Transferor Company and the Transferee Company shall have no further obligation in that behalf. The cancellation of investment as above as a consequence of merger/amalgamation is in accordance with law and that with effect from the Effective Date the share certificate(s) for the amount of investment of the Transferor Company in the equity capital of the Transferee Company shall be cancelled and the equity capital of the Transferee Company shall be deemed to be reduced to that extent. Similarly, all the loans and advances extended by any of the Transferor Company to the Transferee Company and/or vice versa shall stand cancelled and the respective Transferor Company and the Transferee Company, as the case may be, shall have no further obligation in that behalf.
- (e) All the loans, advances, bonds, debentures, debit note, credit note or any other obligations (including any guarantees, bonds, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to any contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall without any further act, instrument or deed, be and stand discharged and there shall be no liability in that behalf on any of the Transferor Company or the Transferee Company.

4.11 Where any of the liabilities and obligations, if any, of any of the Transferor Company, as on the Appointed Date, transferred to the Transferee Company have been discharged by the respective Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

- 4.12 All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations, if any, incurred or undertaken by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall upon the coming into effect of this Scheme, pursuant to the provisions of section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company.
- 4.13. (a) With effect from the Appointed Date up to and including the Effective Date :
- (i) the Transferor Company shall carry on and shall be deemed to have carried on all its business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the said Assets for and on account of, and in trust for, the Transferee Company;
 - (ii) the Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.
- (b) All profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company on and after the Appointed Date shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be.
- 4.14. (a) Upon the coming into effect of this Scheme, all suits, actions and legal proceedings, if any, by or against any of the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effective as if the same had been pending and/or arising by or against the Transferee Company.
- (b) The Transferee Company undertakes to have all legal or other proceedings initiated by or against any of the Transferor Company referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
- 4.15 Upon the coming into effect of this Scheme, and subject to the provisions

of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before 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 as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obliged there to. The Transferee Company shall, wherever necessary, enter into and/or issue and/or execute deeds, writings or confirmations, enter into any tripartite arrangement, confirmation or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause.

4.16 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereto, if so required, under any law or otherwise, enter into, or issue or execute deeds, writing, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, be deemed to be carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

4.17 Upon the coming into effect of this Scheme:

- (a) All the employees in the service of the Transferor Company, if any immediately preceding the Effective Date shall become employees of the Transferee Company on the basis that:
 - (i) their services shall be deemed to have been continuous and not have been interrupted by reasons of the said transfer.
 - (ii) the terms and conditions of service applicable to employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately preceding the transfer.
- (b) It is expressly provided that as far as the provident fund, gratuity scheme, superannuation scheme or any other special scheme(s) or fund(s) created or existing, if any, for the benefit of the employees

of the Transferor Company are concerned, upon the coming into effect of this scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, related to the administration or operations of such schemes and intent that all the rights, duties, powers and obligation of the Transferor Company in relation to such schemes shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes.

- (c) The Transferee Company, if required, will file the relevant intimations to the statutory authorities concerned who shall take the same on record and endorse the name of the Transferee Company for the respective Transferor Company.

4.18 Issuance of Shares and clubbing of Authorized Share Capital

- (a) Upon the Scheme becoming effective, all the assets and liabilities forming part of the Transferor Company shall stand vested to the Transferee Company at the values as appearing in the balance sheet of the Transferor Company, as on the Appointed Date.
- (b) Upon the Scheme becoming effective and without any further applications, act or deed, the Transferee Company, in consideration of the transfer and vesting of the Assets and Liabilities of the Transferor Company in the Transferee Company, the Transferee Company without any further application or deed shall
 - (i) issue and allot three (3) equity shares of Rs. 10/- each fully paid up of the Transferee Company for every ten (10) equity shares of Rs. 10/- each fully paid up of the Transferor Company held by the equity shareholders (i.e. Promoters of the Company, other than the Public Shareholders), whose names appear in the Register of Members of the Transferor Company as on the Record Date fixed for the purpose, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, as may be recognized by the Board of the Transferee Company, as per the "Share Exchange Ratio" determined by SSPA & Co., Chartered Accountants, Mumbai; and
 - (ii) issue and allot 1 (one) 7% Redeemable Preference Share of Rs. 10/- each, on the terms and conditions given hereunder, to the preference shareholders of the Transferor Company

(i.e. Public Shareholders of the Transferor Company, other than the Promoters) credited as fully paid up for every 1(one) fully paid up 7% Preference Share of Rs. 10/- held by such Shareholders whose names appear in the Register of Members of the Transferor Company as on the Record Date fixed for the purpose, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, as may be recognized by the Board of the Transferee Company.

- (c) The terms and conditions for issue of 7% Redeemable Preference Shares (“RPS”) shall be as under :-

Dividend Rate of RPS	7% on RPS of the face value of Rs. 10/- each.
Tenure of RPS	Not later than 1 (one) Year from the date of allotment, at the discretion of ABCL
Listing of RPS	The RPS shall not be listed on any Stock Exchange.
Redemption terms of RPS	The Redeemable Preference Shares would be redeemed at a premium of Rs. 50/- Rupees forty five only) per share (i.e. at the total redemption amount of Rs. 60/- per share). The redemption proceeds together with dividend @ 7% will be given to all the preference shareholders not later than one (1) year from the date of allotment, as the Board of Directors may decide.

- (d) The said 7% redeemable preference shares will be redeemed at a premium of Rs. 50/- (Rupees forty five only) per preference share (i.e. at the total redemption amount of Rs. 60/- per share) as provided in Part III of the Scheme.
- (e) Any fractional entitlement arising on account of issuance of equity shares in terms of Clause 4.19(b) above shall be rounded off to nearest one share.
- (f) The equity shares of the Transferee Company, to be issued and allotted in terms of clause 4.19(b), hereinabove, shall rank pari passu in all respects with the existing equity shares of the Transferee Company.
- (g) The said equity shares to be issued by the Transferee Company in

terms hereof shall be subject to the Memorandum and Articles of Association of the Transferee Company and other relevant provisions of the Act.

- (h) Upon the equity shares in the Transferee Company being issued and allotted in terms of clause 4.19(b), hereinabove, the equity shares held by the Members in the Transferor Company shall automatically stand invalid and cancelled. Consequently, the share certificates representing such equity shares in the Transferor Company shall automatically stand cancelled, invalid and non-transferable.
- (i) Upon coming into effect of the Scheme, the Authorized Share Capital the Transferor Company which is Rs. 7,00,00,000/- (Rupees Seven Crore) consisting of 70,00,000 (Seventy Lacs) equity shares of Rs. 10/- (Rupees Ten) each or such Authorised Share Capital as on the Effective Date, shall, without any further act or deed, stand clubbed with the Authorized Share Capital of the Transferee Company.
- (j) Consequently, upon the Scheme becoming effective, the Authorised Share Capital of the combined entity i.e. Transferee Company will be Rs. 32,52,00,000/- (Rupees Thirty Two Crore Fifty Two Lacs) divided into 2,95,20,000 (Two Crore Ninety Five Lac and Twenty Thousand) equity shares of Rs. 10/- (Rupees Ten) each and 30,00,000 (Thirty Lacs) Redeemable Preference Shares of Rs. 10/- (Rupees Ten) each or such Authorised Share Capital as is derived after clubbing the Authorised Share Capital of both the Transferor and Transferee Companies as on the Effective Date and consequent changes will be made in Clause V of the Memorandum of Association and clause 5(a) of the Articles of Association of the Company.
- (k) Any filing fee and/or stamp duty already paid by the Transferor Company in respect of their respective Authorized Share Capital shall be deemed to have paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee / stamp duty on the increase of Authorized Share Capital to that extent.
- (l) Further, the Transferee Company shall file the amended copy of its Memorandum and Articles of Association and requisite documents for amendment of Memorandum and Articles of Association with the Registrar of Companies, Uttar Pradesh, Kanpur, within 30 days from the Effective Date and the Registrar of Companies shall take the same on record.

4.19 Accounting Treatment

Upon the Scheme becoming effective, the Transferee Company shall incorporate the assets and liabilities of the Transferor Company in accordance with the treatment provided in the Accounting Standard-14 on 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India as also notified by the Companies (Accounting Standard) Rules, 2006 and more particularly as specified hereunder:

- (a) All the assets and the liabilities recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company at the values appearing in the books of the Transferor Company, on the Appointed Date, pursuant to the Scheme.
- (b) An amount equal to the balance lying in the "Statement of Profit and Loss" as appearing in the balance sheet of the Transferor Company shall be taken over by the Transferee Company and included in the balance of its Statement of Profit and Loss of the Transferee Company.
- (c) As on the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of the Transferee Company be required, the securities premium account, general reserve, lying in the books of the Transferor Company will be merged with those of the Transferee Company in the same form as appeared in the financial statements of the Transferor Company.
- (d) Upon the Scheme becoming effective, any reserves maintained by the Transferor Company, which are mandatorily required to be continued with under any statute, would continue to be mandatorily maintained by the Transferee Company as such only, for the statutory period specified in the respective statute.
- (e) Further, in case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact on account of change in the accounting policy to achieve uniformity on account of amalgamation will be quantified and adjusted in the revenue reserve(s) to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistency in the accounting policy.
- (f) The excess, if any, of the aggregate value of the assets reduced by the aggregate value of the liabilities and the statement of profit & loss over the aggregate value of the equity shares issued and allotted in terms of clause 4.18 (b) of the Scheme by the Transferee Company to the

shareholders of the Transferor Company and reserves of the Transferor Company after adjustment of inter-se loans and investments, share application money, if any, pursuant to the Scheme, recorded by the Transferee Company upon their transfer to and vesting in the Transferee Company under the Scheme shall be credited to an “Amalgamation Reserve Account” and the same shall not be treated as free reserve forming part of the net worth of the Transferee Company. However, in case of shortfall, after recording the necessary entries as envisaged in para (a) to (c) hereinabove, the difference shall be adjusted first from the capital reserve and the balance, if any, from the security premium account and/or the general reserve of the Transferee Company, pursuant to the Scheme becoming effective. If still there is any deficit, then the same will be adjusted against the statement of profit & loss of the Transferee Company, pursuant to the Scheme becoming effective.

- (g) The aforesaid utilization of capital reserve account, security premium account, if required, and reduction of paid-up share capital of the Transferee Company on account of cancellation of shares held by the Transferor Company in the Transferee Company in terms of clause 4.19 (f) above, and issue and allotment of Redeemable Preference Shares to the public shareholders of the Transferor Company shall be effected as a part of this Scheme itself and not under a separate process in terms of section 52 and 66 of the Companies Act, 2013 (corresponding sections 78 and 100 to 103 of Companies Act, 1956) and other applicable provisions of the Act and order of the High Court sanctioning the Scheme shall be deemed to be a due compliance of the provisions of sections 52 and 66 of the Companies Act, 2013 (corresponding sections 78 and 100 to 103, of Companies Act, 1956) and any other applicable provisions of the Act and rules and regulations made there under. Consequently, Transferee Company shall not be required to use the words “and reduced” as part of its corporate name.

PART V – OTHER CONDITIONS APPLICABLE TO THE SCHEME

- 5.1 (a) With effect from the date of filing of this Scheme with the High Court and up to and including the Effective Date, the Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date.

- (b) Until the coming into effect of this Scheme, the shareholders of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the rights to receive dividends.
- (c) It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any shareholder of any of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Board of Directors of the Transferor Company and/or the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

5.2 Upon the coming into effect of this Scheme:

- (a) the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.
- (b) The borrowing limits of the Transferee Company, shall without further act or deed stand enhanced by an amount being the aggregate liabilities of the Transferor Company which are being transferred to the Transferee Company pursuant to this Scheme and the Transferee Company will not be required to pass any fresh resolution(s) in this regard.

5.3 The Transferor Company and the Transferee Company shall with the reasonable dispatch, make all applications/petitions under section 391 and 394 and other applicable provisions of the Act to the High Court for sanctioning of this Scheme and the dissolution of the Transferor Company without winding up under the provisions of law, and obtain all approvals as may be required under law.

5.4 (a) The Transferor Company and the Transferee Company (acting through their respective Board or through such persons as may be authorized by Board in this regard) may assent from time to time on

behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which either the Board of Directors of the Transferor Company and the Transferee Company deem fit, and/or which the High Court and/or any other authorities under law may deem fit to approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing the Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing this Scheme into effect.

- (b) Transferor Company and the Transferee Company shall have the discretion to withdraw their application/petition from the Hon'ble High Court, if any onerous terms or other terms not acceptable to them are introduced in the Scheme whether at the meetings of shareholders/creditors or at the time of sanction of the Scheme or as otherwise deem fit by the Board of the Transferor Company and/or the Transferee Company. They shall also be at liberty to render the Scheme ineffective by not filing the certified order of the sanctions of the Scheme with ROC.
- (c) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Transferor Company and Transferee Company may give and are authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

5.5 This Scheme is conditional upon and subject to:

- (a) The consents by the requisite majority of the shareholders and creditors, if any, of the Transferor Company and the Transferee Company to the Scheme, if required and the requisite orders of the Hon'ble High Court sanctioning the Scheme in exercise of the powers vested in it under the Act; and
- (b) The certified copy of the High Court order being filed with ROC.

- 5.6 In the event this Scheme fails to take effect then it shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own costs or as may be mutually agreed.
- 5.7 If any part of this Scheme hereof is ruled illegal or invalid by, or is not sanctioned by the High Court, or is unenforceable under present or future laws, or which otherwise is considered unnecessary, undesirable or inappropriate at any stage by the Board of Directors of the Transferor Company and the Transferee Company, 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.
- 5.8 The Transferor Company shall be dissolved without winding up with effect from the date on which the certified copy of the Order, under section 394 of the Act, of the High Court sanctioning the Scheme is filed with the ROC.
- 5.9 The approval to this Scheme under section 391 and 394 read with Sections 100 to 103 of the Act by the shareholders and/or creditors of the Transferor and Transferee Companies, shall be deemed to have the approval of the shareholders and/or creditors, as the case may be under the applicable provisions of the Act, rules and regulations made there under, including but not limited to section 13, 14, 52, 61, 62 & 66 of the Companies Act, 2013 (corresponding sections 16, 31, 78, 81(1A), 94 & 100 to 103 of the Companies Act, 1956).
- 5.10 All costs, charges, and expenses, including any taxes and duties of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

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