

**SCHEME OF AMALGAMATION
OF
PINNAE FEEDS LIMITED
WITH
THE WATERBASE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
AND
CREDITORS**

Under the provisions of Sections 391 to 394 of the Companies Act, 1956

This Scheme of Amalgamation (hereinafter referred to as the 'Scheme') is presented pursuant to Sections 391 to 394 of the Companies Act, 1956 for amalgamation of Pinnae Feeds Limited ('PFL' or 'the Transferor Company') with The Waterbase Limited ('TWL' or 'the Transferee Company'). Upon the relevant sections of the Companies Act 2013, pertaining to scheme of arrangement, compromise or reconstruction of companies being notified by the Ministry of Corporate Affairs ("MCA"), the Scheme of Arrangement shall be deemed to have been formulated and presented under sections 230 to 240 of the Companies Act, 2013.

I. PREAMBLE

1. Whereas Pinnae Feeds Limited was incorporated under the Companies Act, 1956 as a public company on July 05, 2012. Its registered office is presently located at "Thapar House", No.37, Montieth Road, Egmore, Chennai – 600 008. The Company is an unlisted public company. The management of the company is in the process of shifting the registered office of the company from the state of Tamilnadu to the state of Andhra Pradesh.
2. Whereas the Transferor Company is engaged in the business of manufacturing and trading of shrimp feed.
3. Whereas The Waterbase Limited was incorporated under the Companies Act, 1956 as a public company under the name and style of "Thapar Waterbase Limited" on November 23, 1987. Subsequently, upon receipt of requisite approvals, the name was changed to

For THE WATERBASE LTD.


Company Secretary

"The Waterbase Limited" on February 11, 1992. The registered office is located at Ananthapuram Village, Nellore District – 524 344, Andhra Pradesh. The equity shares of The Waterbase Limited are presently listed on BSE Limited.

4. Whereas the Transferee Company is primarily engaged in the manufacture of shrimp feed and processing of shrimp for export.

II. RATIONALE OF AMALGAMATION

The amalgamation of PFL with TWL is being proposed for the purpose of developing the potential for further growth and expansion of their respective businesses and to have better synergies, optimization of resources and fund raising capabilities. The amalgamation would result in following benefits:

- **Optimal utilization of resources:** Result in enhancing the scale of operations and reduction in overheads, administrative, managerial and other expenditure, operational rationalization, sharing of technology, organizational efficiency, and optimal utilization of various resources.
- **Business Synergy:** Enable the two companies to consolidate their business operations and provide significant impetus to their growth since both the companies are engaged in similar areas of business.
- **Shareholder Value:** 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.
- **Expansion:** Result in enhanced leveraging capability of the combined entity which in turn will allow the combined entity to undertake larger expansion strategies and to tap bigger opportunities in the industry.
- **Consolidation of expertise:** Consolidation of managerial expertise of the Companies will facilitate greater focus and utilization of resources. Amalgamation will give additional strength to the operations and management of the amalgamated company.

III. PARTS OF THE SCHEME

The Scheme is divided into the following parts:-

- (a) Part A – General (dealing with definitions and share capital);
- (b) Part B – Amalgamation of Pinnae Feeds Limited with The Waterbase Limited;



- (c) Part C – Other Terms and Conditions

PART A– GENERAL

1. DEFINITIONS

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

- 1.1 **“Act”** means the Companies Act, 1956 read with the applicable Rules thereunder, and any statutory amendments or re-enactment thereof and the applicable provisions of Companies Act, 2013 read with applicable Rules as may be prescribed or notified by the Government of India, from time to time.
- 1.2 **“Amalgamation”** means “merger” within the meaning of Section 391 to 394 of the Companies Act, 1956;
- 1.3 **“Appointed Date”** means the 1st day of August, 2015 or such other date as the High Court may direct or fix from which date the Scheme comes into operation.
- 1.4 **“Court”** or **“High Court”** shall mean the Hon’ble High Court of Judicature at Hyderabad, having jurisdiction in respect of the Transferee Company and the Transferor Company (post shifting of their Registered Office to the State of Andhra Pradesh) and, if necessary, the Hon’ble High Court of Judicature at Madras currently having jurisdiction in respect of the Transferor Company and shall include the National Company Law Tribunal as and when applicable.
- 1.5 **“Effective Date”** means the last of the dates on which the sanctions, approvals, or orders on the scheme have been obtained and the last of the dates on which the certified copies of the orders of the High Court sanctioning the Scheme are filed with the appropriate Registrar of Companies. All references in this scheme to the date of coming into effect of the Scheme shall mean “the Effective Date”.
- 1.6 **“PFL”** or **“Transferor Company”** means Pinnae Feeds Limited, a company incorporated under the Companies Act 1956, having presently its registered office at “Thapar House”, No.37, Montieth Road, Egmore, Chennai – 600 008. The Board of Directors and Shareholders of the Transferor Company had approved the shifting of Registered Office of the Company on 12th August, 2015 & 17th August, 2015 respectively from the State of Tamil Nadu to the State of Andhra Pradesh, subject to all requisite approvals in accordance with Law.



- 1.7 **“TWL”** or **“Transferee Company”** means The Waterbase Limited, a company incorporated under the Companies Act, 1956, having its registered office at Ananthapuram Village, Nellore District – 524 344, Andhra Pradesh.
- 1.8 **“Record Date”** shall mean the date to be fixed by the Board of Directors of the Transferee Company for the purpose of issue of equity shares in the Transferee Company to the shareholders of the Transferor Company in terms of the Scheme.
- 1.9 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Amalgamation in its present form submitted to the High Court with modifications approved or imposed or directed by the High Court pursuant to amalgamation
- 1.10 **“SEBI”** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.11 **“SEBI Circulars”** means Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 each issued by SEBI or any other circulars issued by SEBI applicable to the Scheme of arrangement/ amalgamation.
- 1.12 **“Stock Exchange”** means the BSE Limited.

2. SHARE CAPITAL

- 2.1 The authorized, issued, subscribed and paid-up Share Capital of the Transferor Company as on 31st March, 2015 is as under:-

Particulars	(Amount in Rs.)
Authorized Capital	
1,50,00,000 Equity Shares of Rs.10 each	15,00,00,000
Issued, Subscribed and paid up	
1,00,00,000 Equity shares of Rs.10 each	10,00,00,000

As on the date of the Scheme being approved by the Board of Directors there is no change in Authorized capital of the Transferor Company. However, the Issued, Subscribed and Paid-up equity share capital of Transferor Company has been subsequently increased to Rs 12,00,00,000/- (i.e. due to allotment of 20,00,000 shares on Rights basis to Karam Chand Thapar & Bros. (Coal Sales) Limited at a value of Rs. 25/- per share, including a premium of Rs.15/- per share) on 31st July 2015. The shares of the Company are wholly held by Karam Chand Thapar & Bros. (Coal Sales) Limited and its nominees.



- 2.2 The authorized, issued, subscribed and paid-up Share Capital of the Transferee Company as on 31st March, 2015 is as under:-

Particulars	(Amount in Rs.)
Authorized Capital	
4,50,00,000 Equity Shares of Rs.10/- each	45,00,00,000
5,00,000 Preference shares of Rs. 100/- each	5,00,00,000
Issued, Subscribed and Paid up	
3,86,03,250 Equity Shares of Rs.10/- each	38,60,32,500

As on the date of the Scheme being approved by the Board of Directors there is no change in Authorized, Issued, Subscribed and Paid-up equity share capital of the Transferee Company.

3. DATE WHEN THE SCHEME COMES INTO OPERATION

- 3.1 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. If, at a later date, any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income Tax Act, including as a result of an amendment of law or the enactment of a new legislation or for any other reason whatsoever, the provisions of Section 2(1B) of the Income Tax Act, or a corresponding provision of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification(s) will however not affect the other parts of the Scheme.

PART B - AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEEE COMPANY

4. AMALGAMATION

- 4.1 With effect from the Appointed Date, the entire business and whole of the undertaking of the Transferor Company including but not limited to all its assets, land, buildings, roads, plant and machinery, furniture & fixtures, laboratory equipment, office equipment, Computers & data processing units, vehicle software licenses, work in progress, stock in trade, finished goods, inventories, trade receivables, cash and bank balances, loans and advances including but not limited to balances with Government authorities, claims



receivable, prepaid expenses, deposits recoverable, advances to suppliers, advance taxes, TDS receivable, sales tax and service tax, deposits of any nature, balance with excise department, interest accrued and other tangible and intangible assets and liabilities of the Transferor Company shall under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the changes affecting the same as on the Effective Date be transferred and/ or deemed to be transferred to and vested in the Transferee Company so as to become the assets of the Transferee Company.

- 4.2 Further, all assets acquired by the Transferor Company after the Appointed Date and prior to the Effective Date for the purposes of its business shall also be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company upon the coming into effect of the Scheme.
- 4.3 With effect from the Appointed Date, all liabilities, obligations and debts including but not restricted to unsecured loans, term loans from banks and related party, employee benefits, short term borrowings, cash credit facility, trade payables, other current liabilities, contingent liabilities and other liabilities of any kind of the Transferor Company, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date up to the Effective Date, but which relates to the period on or up to the day of the Appointed Date shall, pursuant to the orders of the High Court or such other competent authority as may be applicable under Section 394 and other applicable provisions of the Act and without any further act or deed, be transferred or deemed to be transferred to and vest in and be assumed by the Transferee Company, so as to become as from the Appointed Date on the same terms and conditions as were applicable to the Transferor Company.
- 4.4 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the 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, and all loans raised and used and all liabilities and obligations incurred by the Transferor Company for the purposes of its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become its liabilities and obligations.



- 4.5 With effect from the Appointed Date the assets of the Transferor Company, which are moveable in nature or are otherwise capable of transfer by physical or constructive delivery or by endorsement and delivery, shall be so transferred by the Transferor Company and shall become the property of the Transferee Company without any act or deed on the part of the Transferor Company and the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Transferee Company.
- 4.6 With effect from the Appointed Date, the immovable properties of the Transferor Company (including land, buildings and any other immovable property as set out in Schedule A) transferred to the Transferee Company, and any documents of title, rights and easements in relation thereto, shall stand vested in the Transferee Company, without any act, instrument or deed done by the Transferor Company or the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges (if any and as may be applicable), and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the High Court and on the Scheme becoming effective, in accordance with the terms hereof and the Transferor Company shall be entitled to lawful, peaceful and unencumbered possession, right, title, interest of the immovable properties vested with it pursuant to the Scheme.
- 4.7 With effect from the Appointed Date and subject to the Scheme becoming effective, all rights, statutory licenses, permissions, approvals or consents of the Transferor Company shall stand vested in or transferred to Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, environment approvals and consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person or availed of by the Transferor Company, is concerned, the same shall vest with and be available to Transferee Company on the same terms and conditions.
- 4.8 All taxes of any nature, duties, cess, or any other like payments or deductions made by the Transferor Company to any statutory authorities such as Income tax (including advance tax, TDS receivable and MAT credit), Service Tax, Customs Duty, VAT etc. or any tax deducted/ collected at source relating to the period after the Appointed Date and up to the



Effective Date shall be deemed to have been on account of or on behalf of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company.

- 4.9 All the loans, advances and other facilities sanctioned to the Transferor Company by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Transferee Company and the said loans and advances shall be drawn and utilized either partly or fully by the Transferor Company from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by the Transferor Company (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Transferee Company and all the obligations of the Transferor Company under any loan agreement shall be construed and shall become the obligation of the Transferee Company without any further act or deed on the part of the Transferee Company.
- 4.10 Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 180 (1) (c) of the Companies Act, 2013 shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.
- 4.11 Any existing encumbrances over the assets and properties of Transferee Company or any part thereof which relate to the liabilities and obligations of Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties of Transferee Company and shall not extend or attach to any of the assets and properties of Transferor Company transferred to and vested in Transferee Company by virtue of this Scheme.
- 4.12 Any existing encumbrances over the assets and properties of Transferor Company or any part thereof which relate to the liabilities and obligations of Transferor Company prior to the Effective Date shall continue to relate only to such assets and properties of Transferor Company vested in Transferee Company by virtue of this Scheme and shall not extend or attach to any of the assets and properties of Transferee Company.
- 4.13 The Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever up to the Effective Date, the provisions of the said Section of the



Income tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modifications shall however not affect other parts of the Scheme.

- 4.14 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 Company, to implement and carry out all formalities and compliances, if required, referred to above.

5. ALLOTMENT OF SHARES IN CONSIDERATION OF THE AMALGAMATION

- 5.1 Upon the Scheme becoming effective, in consideration of the transfer of and vesting of the said assets and said liabilities of Transferor Company, in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further application or deed, issue and allot to the shareholders whose name appear in the Register of Members on the Record Date or to their respective heirs, executives, administrators or other legal representatives or the successors-in-title, as the case may be, in the following manner:

- i) 4 fully paid up Equity Shares of Rs.10/-(Rupees Ten only) each of the Transferee Company for every 17 Equity Shares of Rs.10/-(Rupees Ten Only) each, held by the shareholders in Transferor Company.
- ii) No shares shall be issued in respect of fractional entitlements, if any, by the Transferee Company, to the members of Transferor Company at the time of issue and allotment of equity shares.

- 5.2 Upon the Scheme coming into effect, the Authorised Share Capital of the Transferee Company shall be deemed to be increased to the extent of the Authorized Share Capital of the Transferor Company in line with Clause 12 of this Scheme.

- 5.3 Equity shares of the Transferee Company issued in terms of Clause 5.1(i) above will be listed and/ or admitted to trading on BSE. The Transferee Company shall enter into such arrangements and give such confirmations as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchange. On such formalities being fulfilled the said Stock Exchange shall list and or admit such equity shares also for the purpose of trade.

- 5.4 Equity shares to be issued and allotted in terms of Clause 5.1(i) above shall rank *pari passu* with the existing equity shares of the Transferee Company.



- 5.5 The equity shares allotted by the Transferee Company pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by Stock Exchange.
- 5.6 The issue and allotment of equity shares in the Transferee Company, by the Transferee Company to the shareholders of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out without any further act or deed by the Transferee Company as if the procedure laid down under Section 62(1)(a) of the Companies Act, 2013 and any other applicable provisions of the Act were duly complied with.

6. STAFF WORKMEN AND EMPLOYEES

- 6.1 On the Scheme becoming operative, all employees of the Transferor Company in service on the Effective Date shall become employees of the Transferee Company on such date without any break or interruption in their service and on terms and conditions not less favourable than those subsisting with reference to the Transferor Company as on the said date. The position, rank or designation of the employees would however be decided by the Transferee Company.
- 6.2 The Transferee Company shall abide by the terms and agreements, if any, entered into by the Transferor Company with its employees.
- 6.3 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund, Employees State Insurance or any other Special Funds or Trusts, if any, created or existing for the benefit of the staff and employees of the Transferor Company shall become trusts/ funds of the Transferee Company 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 Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff and employees, if any, of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.



7. ACCOUNTING TREATMENT IN BOOKS OF THE TRANSFEREE COMPANY

The Transferee Company shall, upon the scheme coming into effect, account for the amalgamation in its books as under:

- 7.1 On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of account with effect from the Appointed Date.
- 7.2 The Amalgamation of the Transferor Company shall be accounted for in the books of account of the Transferee Company in accordance with "Pooling of Interests Method" of accounting as per the Accounting Standard (AS) 14, 'Accounting for Amalgamations' or other applicable accounting standards, section 2(43) of the Companies Act, 2013 and / or any other Sections of the Companies Act, 2013 as may be applicable.
- 7.3 All assets and liabilities, including any reserves and intangible assets, of the Transferor Company transferred to the Transferee Company under the Scheme shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as recorded in the books of account of the Transferor Company.
- 7.4 The balance in the reserves and surplus account of the Transferor Company shall be transferred to the corresponding reserves in the Transferee Company. In other words, identity of reserves of Transferor Company shall be preserved.
- 7.5 The balance of the Profit and Loss Account of the Transferor Company shall be aggregated with the balance of the Profit and Loss Account of the Transferee Company.
- 7.6 The difference between the share capital of the Transferor Company and face value of New Equity Shares issued by the Transferee Company to the shareholders of the Transferor Company shall be adjusted accordingly in the Reserves of the Transferee Company.
- 7.7 It is hereby clarified that pursuant to this Scheme, all transactions conducted during the period between the Appointed Date and Effective Date relating to the Transferor Company would be duly reflected in the financial statements of the Transferee Company, upon the Scheme coming into effect.
- 7.8 In case of any differences in accounting policies between the Transferee Company and the Transferor Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies. Impact of any such change in accounting policy will be adjusted against the opening balance of General reserve, if any or added to the Profit and loss account balance, as the case may be, in the books of the Transferee



Company as at the Appointed Date. Nevertheless such accounting policies shall be as per the Indian accounting standards and exceptions and disclosures thereof.

- 7.9 Intercompany loans or balances, if any, between the Transferor Company and the Transferee Company, shall stand cancelled.

8. LEGAL PROCEEDINGS

- 8.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company are pending prior to Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. Any amount receivable under the pending suits, actions and proceedings shall solely belong to the Transferee Company. Similarly the Transferee Company will be responsible for discharging the liability in future in pending suits, actions and proceedings of the Transferor Company.

9. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 9.1 Subject to the provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party, or the benefit to which the Transferor Company is or may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto from the inception. The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmation or enter into any multipartite agreement, confirmations 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 Scheme, if so required or becomes necessary. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.



10. TRANSACTION BETWEEN APPOINTED DATE AND EFFECTIVE DATE

10.1 With effect from the Appointed Date and up to and including the Effective Date:

- i) The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business and undertakings for and on account of and in trust for the Transferee Company. The Transferor Company shall carry on its activities in the ordinary course of business;
- ii) All the profits, taxes such as advance tax, tax deducted at source, minimum alternate tax credit, taxes withheld/ paid in foreign country, underlying tax credit, tax sparing, if any, thereon or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrue as the profits, taxes or incomes or expenditure or losses, as the case may be, of the Transferee Company; and
- iii) The Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company.

10.2 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 carry on the business of the Transferor Company.

10.3 The transfer of the entire business and undertakings of the Transferor Company to the Transferee Company and the continuance of all contracts or proceedings by or against the Transferor Company shall not affect any contracts or proceedings already concluded by the Transferor Company on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things done and/ or executed by the Transferor Company in regard thereto as having been done or executed on behalf of the Transferee Company.



11. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up.

PART C – OTHER TERMS AND CONDITIONS**12. COMBINATION OF SHARE CAPITAL**

12.1 Upon the Scheme becoming effective, the authorized share capital of the Transferee Company, shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the Registrar of Companies, by the authorized share capital of the Transferor Company amounting to Rs. 15,00,00,000 comprising of 1,50,00,000 equity shares of Rs. 10 each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13,14 and 61 of the Companies Act, 2013 and Section 394 of the Companies Act, 1956 would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and / or fee by the Transferee Company for increase in the authorized share capital to that extent.

12.2 Consequently upon amalgamation of the Transferor Company into the Transferee Company, the authorized share capital of the Transferee Company will be as under:

Particulars	(Amount in Rs.)
Authorized Capital	
6,00,00,000 equity shares of Rs. 10 each	60,00,00,000
5,00,000 preference shares of Rs. 100 each	5,00,00,000
Total	65,00,00,000



- 12.3 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration to the Memorandum and Articles of Association of the Transferee Company as may be required under the Act, and Para V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows:

Para V of the Memorandum of Association of the Transferee Company:

"The Authorised Share Capital of the Company is Rs. 65,00,00,000 (Rupees Sixty Five Crores only) divided into 6,00,00,0000 (Six Crore) Equity shares of Rs.10/- (Rupees Ten only) each and 5,00,000 (Five Lakh) Preference shares of Rs.100/- (Rupees Hundred only) each carrying such rate of dividend and other rights as may be decided by the company in general meeting from time to time."

13. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

- 13.1 The Transferor Company and the Transferee Company by their respective Board of Directors may make and/ or consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors of Transferor Company and Transferee Company and Committee of Directors/ authorised officers of Transferee Company).
- 13.2 The Transferor Company and the Transferee Company by their respective Board of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

14. CHANGE OF REGISTERED OFFICE OF THE TRANSFEROR COMPANY

The Transferor Company has already initiated necessary steps for shifting its registered office from the State of Tamil Nadu to the State of Andhra Pradesh. For the purpose of the scheme, the applications/ petitions under Section 391/ 394 of the Act shall be made to the High Court where the registered office of the Transferee Company is situated.



15. SCHEME CONDITIONAL ON APPROVAL/ SANCTIONS

The Scheme is conditional upon and subject to:

- 15.1 The Transferee Company to provide for voting by public shareholders through postal ballot and e-voting, in accordance with the provisions of the Act and as required under the Securities and Exchange Board of India Circular CIR / CFD/DIL/5 / 2013 dated February 4, 2013, and subsequent modifications thereof ('SEBI Circular'), while seeking their approval for the Scheme.
- 15.2 The Scheme being agreed with by the requisite number of public shareholders of the Transferee Company as provided in the SEBI Circular in this regard.
- 15.3 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 15.4 Approval by requisite majority of the members/ creditors of the Transferor Company and the Transferee Company as may be directed by the High Court.
- 15.5 Certified/ authenticated copies of the orders of the High Court, sanctioning the Scheme being filed with the appropriate Registrar of Companies by the Transferor Company and the Transferee Company.
- 15.6 All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

16. SAVING OF CONCLUDED TRANSACTIONS

- 16.1 The transfer of properties and liabilities under clause 4 above shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed date till the Effective date, to the end and intent that Transferee Company accepts and adopts all acts, deeds and things to be done and executed by Transferor Company in respect thereto as done and executed on behalf of itself.

17. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

- 17.1 In the event of any of the said sanctions and approvals referred to in Clause 13 not being obtained and/ or the Scheme not being sanctioned by the High Court, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or



deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and/ or in connection with the Scheme.

18. POWER TO WITHDRAW THE SCHEME AT ANYTIME

18.1 In the event of any condition or amendment or modification that may be imposed by the High Court or any competent authority, which the Board of Directors of the Transferor Company or the Board of Directors of the Transferee Company, may find unacceptable for any reason, or if the Board of Directors of the said Transferor Company or Transferee Company for any reason so decides, they shall be at a liberty to withdraw from the Scheme unconditionally.

19. COSTS

19.1 All costs, shortages, taxes including duties and levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and Transferee Company arising out of or incurred in connection with and implementation of this Scheme and matters incidental thereto shall be borne by the Transferee Company.



SCHEDULE A

Schedule of Immovable Properties

Land measuring Acs 15.00 cents located at Bogole village and Panchayath, Bogole Mandal, SPSR Nellore District together with all building and structure thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth, both present and future ("Immovable Property").

