ANNEXURE - AL-11

SCHEME OF ARRANGEMENT

OF

AGILE ELECTRIC SUB ASSEMBLY PRIVATE LIMITED

WITH

IGARASHI MOTORS INDIA LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

(Under the provisions of section 230 read with section 232 and other applicable provisions of the Companies Act, 2013)

PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1) **Part I** deals with Preamble & Definition

2) **Part II** deals with Rationale & Share Capital

3) **Part III** deals with Transfer and Vesting

4) **Part IV** deals with the General Terms and Conditions.

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PART I - PREAMBLE AND DEFINITION

1) PREAMBLE

1.1 This Scheme of Arrangement ["Scheme"] is presented and formulated under section 230 read with section 232 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification or re-enactment thereof, for the time being in force) for the:

a) Amalgamation of Agile Electric Sub Assembly Private Limited into Igarashi Motors India Limited and;

b) Issue of fully paid up bonus Equity Shares only to the Public Shareholders of the Igarashi Motors India Limited.

1.2 **AGILE ELECTRIC SUB ASSEMBLY PRIVATE LIMITED** (hereinafter referred to as "**AESPL**" or "**Transferor Company**") was incorporated as a private limited company on 10^{th} of August 2005 under the Companies Act, 1956. The Corporate Identity Number of the Transferor Company is U34300TN2005PTC057151. The registered office of the Transferor Company is situated at, Plot No. A-33 & A-36, Phase-I, MEPZ, Tambaram, Chennai, Tamil Nadu - 600045. The Transferor Company is engaged in the business of manufacturing permanent magnet DC motors and brush cards used in automobiles. (hereinafter referred to as the **"Business of the Transferor Company")**

1.3 **IGARASHI MOTORS INDIA LIMITED** (hereinafter referred to as "**IMIL**" or **"Transferee Company"**) was incorporated as a public limited company on the 10^{th} of January 1992 under the Companies Act, 1956. The Corporate Identity Number of the Transferee Company is L29142TN1992PLC021997. The Equity Shares of the Transferee Company are listed on the Bombay Stock Exchange

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and the National Stock Exchange India. The Registered Office of the Transferee Company is situated at, Plot No. B12, B-15, Phase–II, MEPZ, Tambaram, Chennai, Tamil Nadu - 600045. The Transferee Company is engaged in the business of manufacturing permanent magnet DC motors for automotive sector specifically for passenger cars (hereinafter referred to as the **"Business of the Transferee Company").**

1.4 Currently, Igarashi Electric Works Limited, Japan (also referred as **"Igarashi Japan"**) holds 55.21% of equity share capital of the Transferor Company. Consequently, the Transferor Company is a subsidiary of Igarashi Japan.

1.5 The Promoter and the Promoter Related Group Entities of the Transferee Company includes:

i) Mr. P. Mukund, S/o Padmanabhan, residing at New No. 207/2, Old No. 93/2, TTK Road, Alwarpet, Chennai, Tamil Nadu 600018, having PAN AAIPM6590R and/or his nominees and affiliates.

ii) Igarashi Electric Works Limited, a company incorporated under the laws of Japan and any of its affiliates that hold Equity Shares in IMIL or AESPL

iii) MAPE Securities Private Limited, a company incorporated under the provisions of Companies Act 1956 and having its registered office at 13/14, Nirlhon House, Dr. Annie Besant Road, Worli, Mumbai 400030 and

iv) The Transferor Company.

1.6 Currently, the Promoter and Promoter Related Group Entities hold 75% of paid-up share capital of the Transferee Company. For the purposes of disclosure before the NCLT, it is stated that on 28th April 2017 a share purchase agreement was entered into between Mr. P. Mukund **("Purchaser")** and Alpha FDI Holdings Pte Limited, a company incorporated under the laws of Singapore and Tata Capital Growth fund, a domestic Venture Capital fund

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registered with the Securities & Exchange Board of India **("Sellers")** for acquiring the Equity Shares of the Transferor Company held by them. The said acquisition has trigged open offer requirements under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations 2011 **("Takeover Code"),** hence, Mr. P.Mukund along with the Transferor Company has made a public announcement for an open offer as per the requirements of the Takeover Code. The Promoter and the Promoter Related Group Entities shall comply with the provisions of the Takeover Code as may be applicable and necessary. The details of the open offer disclosed herein do not in any manner whatsoever dilute the requirements under the Takeover Code.

2. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following shall have the meanings as provided herein:

2.1 **"Act"** means the Companies Act 2013 and the rules made thereunder and as may be applicable;

2.2 **"Appointed Date"** means the date from which this Scheme shall become operative viz., 1st April, 2017 and/or such date as the NCLT modifies, then the same shall be the Appointed Date.

2.3 **"Board of Directors"** or "**Board**" means the Board of Directors or any committee thereof of the Transferor Company or the Transferee Company, as the context requires.

2.4 **"Effective Date"** means the date or last of the dates on which the certified copy of the order of the NCLT sanctioning this Scheme is filed with the Registrar of Companies, Chennai, Tamil Nadu by the Transferor Company and the Transferee Company. Any reference in the Scheme to "On the Scheme

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becoming effective" or "Upon the Scheme becoming effective" or "Effectiveness of the Scheme" shall refer to the "Effective Date"

2.5 **"Igarashi Japan"** means Igarashi Electric Works Limited, a company incorporated under the laws of Japan.

2.6 **"Igarashi Group"** means Igarashi Japan and Igarashi Electric Works (H.K) Limited, Hong Kong that hold Equity Shares or securities in IMIL or AESPL.

2.7 **"MAPE"** means MAPE Securities Private Limited, a company incorporated under the provisions of Companies Act 1956 and having its registered office at 13/14, Nirlhon House, Dr. Annie Besant Road, Worli, Mumbai 400030.

2.8 **"NCLT"** means the the National Company Law Tribunal, Chennai **("NCLT")** as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under section 230 read with section 232 of the Companies Act, 2013

2.9 **"Promoter and Promoter Related Group Entities"** in the context of this Scheme shall include Mr. P. Mukund and/or his nominees and affiliates, the Igarashi Group, MAPE, and the Transferor Company.

2.10 **"Public Shareholders"** means the equity shareholders of the Transferee Company other than the Promoter and Promoter Related Group Entities whose names are registered in the Register of members of the Transferee Company as on the Record Date.

2.11 **"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 and for the purpose of issuing bonus Equity Shares to the Public Shareholders of the Transferee Company in terms of the Scheme.

2.12 **"Scheme of Arrangement"** or **"Scheme"** or "**the Scheme**" or "**this Scheme**" means this Scheme of Arrangement in its present form or with any modification(s) approved, imposed, or directed by the NCLT.

2.13 **"SEBI"** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

2.14 **"Transferor Company"** or **"AESPL"** means Agile Electric Sub Assembly Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at, Plot No. A-33 & A-36, Phase-I, MEPZ, Tambaram, Chennai – 600045.

2.10 **"Transferee Company"** or **"IMIL"** means Igarashi Motors India Limited, a company incorporated under the Companies Act, 1956 and having its registered office at, Plot. B-12, B-15, Phase-II, MEPZ, Tambaram, Chennai, Tamil Nadu – 600045.

2.11 **"Undertaking"** shall mean and include the whole of the respective undertakings of the Transferor Company, as a going concern, including its business, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, goods-in-transit, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, copyrights, patents, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, minimum alternate tax, fringe benefit tax, taxes withheld at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, turnover tax, service tax, excise duty, export incentives/ benefits/ licenses/ scrips issued vide Merchandise Exports from India Scheme (MEIS) received or receivable under the Foreign Trade Policy, research and development cess etc), Software Licence, Domain / Websites etc., in connection / relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

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

PART II – RATIONALE AND SHARE CAPITAL

3. RATIONALE

3.1 The Board of directors of the Transferor Company and the Transferee Company have decided to amalgamate the Transferor Company with Transferee Company in order to ensure better management of the Company as a single unit. The Board of directors of the Transferor Company and

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Transferee Company are of the opinion that the proposed arrangement between the Transferor Company with Transferee Company will be for the benefit of both the Transferor Company and Transferee Company in the following manner:

a. **Business Strategy Consolidation :**

i) Market / Application diversification

The transferor company operates in Comfort Actuator Motors & Sub-Assemblies and the transferee company operates in Torque Actuator Motors for engines, turbo & exhaust applications. The Company would able to diversify into new application areas and serve existing and new customers.

ii) Product portfolio expansion & Shorter Product Launch Cycle:-

The Transferor Company manufactures customer designed products and Transferee Company develops & manufactures own designed and patented products. The customer designed products would require short product launch time.

Combination of the Transferor and Transferee Company clearly provides diversification, expansion and risk mitigation of market/ customers/ applications.

b. **Technology Aggregation:**

The Amalgamation allows aggregation of specific technologies in each of the companies, thereby helping in seamless engineering across the value stream for expansion into new products, applications and technologies.

c. **Business Chain Integration:**

The Amalgamation creates a Full Service Supplier play by the Company, i.e., from Product Development, Process Development to Manufacturing in Tier-2, Tier-3 & Tier-4 as both companies have specialized focus at different Tiers.

d. **Expansion & scalability :**

The Amalgamation allows flexibility in utilization of manufacturing capacities in all operating Tiers enabling quicker launches in the manufacturing cycle and improved utilization of infrastructure and capacities.

With initial seed launches from flexible capacity lines, scalable capacities can be added in the following phase for improved utilisation of all resources that would enable the Company to meet customer / market demands in a timely and efficient manner.

e. **Shareholder Value:**

Results in improved shareholder value for the Companies by way of improved financial structure and cash flows, increased asset base and stronger consolidated revenue and profitability.

f. **Simplification of Corporate Structure:**

The Arrangement shall be beneficial to the interest of the shareholders, employees and creditors to simplify the Combination into a Single Corporate Structure, resulting in Legal Integration of the businesses.

3.2 There is no likelihood that interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme of Arrangement will not impose any additional burden on the members of the Transferor Company or the Transferee Company.

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4 SHARE CAPITAL AND FINANCIAL POSITION:

4.1 The Authorized, Issued, Subscribed and Paid-up capital of the Transferor Company as on March 31, 2017 is as follows:

Particulars	Amount in Rs.
Authorized Share Capital	
17,20,00,000 Equity Shares of Rs. 10 each	172,00,00,000
Total	**172,00,00,000**
Issued, subscribed and paid-up Share Capital	
5,30,89,254 Equity Shares of Rs. 10 each	53,08,92,540
Total	**53,08,92,540**

Igarashi Group owns 56.84% of the paid up share capital of the Transferor Company. Accordingly, Transferor Company is the subsidiary of the Igarashi Group. Subsequent to March 31, 2017 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferor Company.

4.2 The Authorized, Issued, Subscribed and Paid-up capital of the Transferee Company as on March 31, 2017 is as follows:

Particulars	Amount in Rs.
Authorized Share Capital	
3,50,00,000 Equity Shares of Rs. 10/- each	35,00,00,000
Total	**35,00,00,000**
Issued, subscribed and paid-up Share Capital	
3,06,08,444 Equity Shares of Rs. 10/- each	30,60,84,440
Total	**30,60,84,440**

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Subsequent to March 31, 2017 there has been no change in the Authorized, Issued, Subscribed and Paid-up Capital of the Transferee Company. The Transferee Company's shares are listed in BSE and NSE stock exchanges respectively.

4.3 The Financial position of the Transferor Company as on March 31, 2017 and March 31, 2016 are as follows:

i) Balance Sheet: (in Rs)

Particulars	March 31, 2017	March 31, 2016
Liabilities		
Share Capital	53,08,92,540	53,08,92,540
Reserves and Surplus	178,83,34,493	143,21,44,587
Non–Current Liabilities	72,79,23,585	63,25,60,297
Current Liabilities	125,54,51,351	144,81,03,413
Total	**430,26,01,969**	**404,37,00,837**
Assets		
Non - Current Assets	287,22,78,245	251,72,06,672
Current Assets	143,03,23,724	152,64,94,165
Total	**430,26,01,969**	**404,37,00,837**

ii) Profit and Loss Account: (in Rs)

Particulars	March31, 2017	March31, 2016
Total Revenue from operations	355,64,61,759	353,21,98,356
Other Income	7,01,70,222	13,18,61,735
Total Income	362,66,31,981	366,40,60,091
Less: Total Expenses	328,10,91,293	339,97,38,459
Profit After Tax	**34,55,40,688**	**26,43,21,632**

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The books of accounts of the Transferor Company were audited by M/s Sharp & Tannan Chartered Accountants. The Company's Auditor has not made any qualifications or adverse comments on financial statements of the Transferor Company.

The Transferor Company is not subject to any investigation or proceedings under the Act.

4.4 The Financial position of the Transferee Company as on March 31, 2017 and March 31, 2016 are as follows:

i) Balance Sheet: (in Rs)

Particulars	March31, 2017	March31, 2016
Liabilities		
Share Capital	306,084,440	306,084,440
Reserves and Surplus	339,74,38,834	2,63,80,58,320
Non –Current Liabilities	19,19,76,363	31,51,63,247
Current Liabilities	150,80,38,386	145,22,17,319
Total	**540,35,38,023**	**471,15,23,326**
Assets		
Non - Current Assets	200,90,86,228	185,25,11,415
Current Assets	339,44,51,795	285,90,11,911
Total	**540,35,38,023**	**4,711,523,326**

ii) Profit and Loss Account: (in Rs)

Particulars	March31, 2017	March31, 2016
Total Revenue from operations	507,89,42,810	444,98,36,594
Other Income	14,67,02,197	14,30,30,560

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Particulars	March31, 2017	March31, 2016
Total Income	522,56,45,008	4,59,28,67,154
Less: Total Expenses	448,79,46,656	3,95,64,56,635
Profit After Tax	**73,76,98,351**	**63,64,10,519**

The books of accounts of the Transferee Company were audited by M/s Sharp & Tannan Chartered Accountants. The Company's Auditor has not made any qualifications or adverse comments on financial statements of the Transferee Company.

The Transferee Company is not subject to any investigation or proceedings under the Act.

PART III – TRANSFER AND VESTING OF UNDERTAKINGS OF TRANSFEROR COMPANY INTO TRANSFEREE COMPANY

5 TRANSFER AND VESTING OF UNDERTAKING

5.1 Upon the Scheme becoming effective, the respective Undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

(a) With effect from the Appointed Date, the whole of the Undertaking of the Transferor Company comprising its entire business, all assets and liabilities of whatsoever nature and wheresoever situated, including the immovable properties, if any, shall, under the provisions of the Act and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in sub-clauses (b), (c) and (d) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a

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going concern so as to become, as from the Appointed Date, the Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

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

(b) All movable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Company and the Transferee Company.

(c) In respect of movables other than those specified in sub-clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating third parties shall, to the extent possible, be followed:

(i) The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor, loanee or depositee as the case may be, that pursuant to the NCLT having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the

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Transferor Company to recover or realise the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;

(ii) The Transferor Company shall also give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositee that pursuant to the NCLT having sanctioned the Scheme the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realize the same stands extinguished.

(d) In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, the Transferor Company and the Transferee Company will execute necessary documents, as and when required.

(e) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Act without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

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

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

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

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

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

(g) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.

(h) Loans or other obligations, if any, due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf.

(i) In so far as any shares, securities, debentures or notes issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by the Transferee Company, or Transferor Company as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

(j) The Transferor Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company.

(k) Where any of the liabilities and obligations/assets attributed to the Transferor Company on the Appointed Date has been discharged/ sold by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company.

(l) With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking of the Transferor Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or oblige thereto.

(m) With effect from the Appointed Date, any statutory licenses, permissions, approvals and/or consents held by the Transferor Company required to carry on operations shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in, and become available to, the Transferee Company pursuant to the Scheme coming into effect.

(n) The entitlement to various benefits under incentive schemes and policies in relation to the Undertaking of the Transferor Company shall stand transferred to, and be vested in, and/or be deemed to have been transferred to, and vested in, the Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income-tax, unexpired credit for minimum alternate tax, minimum alternate tax, fringe benefit tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs, export incentives/ benefits/ licenses/

Mitsubishi Motors India Limited * Chennai - 45 * scrips issued vide Merchandise Exports from India Scheme (MEIS) received or receivable under the Foreign Trade Policy, and other and incentives in relation to the Undertaking of the Transferor Company to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Company.

(o) Since each of the permissions, approvals, consents, sanctions, remissions (including remittance under income-tax, minimum alternate tax, fringe benefit tax, sales tax, value added tax, turnover tax, excise duty, service tax , customs), special reservations, sales tax remissions, holidays, incentives, concessions and other authorizations relating to the Undertaking of the Transferor Company shall stand transferred under this Scheme to the Transferee Company, the Transferee Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.

(p) From the Effective Date and till such time that the names of the bank accounts of the Transferor Company is 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.

6 LEGAL PROCEEDINGS

6.1 All suits, actions and proceedings of whatsoever nature by or against the Transferor Company on the Appointed Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Company.

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All moneys or deposits or other securities if any, offered by the Transferor Company in any legal proceedings or cases under any tax legislation shall be treated as if deposited by the Transferee Company without requirement of any other procedure.

6.2 If proceedings are taken against the Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till Effective Date.

7 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

7.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature to which the Transferor Company are a party, subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.

7.2 As a consequence of the Arrangement between the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any

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other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.

7.3 The Transferee Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation 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 under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.

7.4 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company are a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

8. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

8.1 All executives, staff, workmen and other employees in the service of the Transferor Company, immediately before the Effective Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:

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a) Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947;

b) The terms and conditions of employment applicable to the said executives, staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;

c) In the event of retrenchment of such executives, staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and

d) In so far as the existing provident fund trusts, gratuity fund and pension and / or superannuation fund trusts created by the Transferor Company for its employees are concerned, the part of the funds referable to the employees who are being transferred shall be continued for the benefit of the employees who are being transferred to the Transferee Company pursuant to the Scheme in the manner provided hereinafter. In the event that the Transferee Company has its own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Transferor Company, shall, subject to approvals and permissions, if required, be transferred to the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own fund, in respect of any of the aforesaid matters, the Transferee Company may, subject to approvals and permissions, if required, continue to contribute to the relevant funds of the Transferor Company until such time that the Transferee Company creates its own fund, at which time the contributions pertaining to the employees of the Transferor Company shall be transferred to the funds created by the

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Transferee Company. Provided however that, the Transferee Company shall be at liberty to form or restructure its provident fund trusts, gratuity fund and pension and/or superannuation fund trusts in such manner as may be decided by its Board of Directors, subject to compliance of relevant labour laws and any other allied laws for the purpose.

9 SAVING OF CONCLUDED TRANSACTIONS

9.1 The transfer of Undertaking under Clause 5 above, the continuance of legal proceedings by or against the Transferee Company under Clause 6 above and the effectiveness of contracts and deeds under Clause 7 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

10. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

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

10.1 The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.

10.2 All profits or income or taxes, including but not limited to income tax, minimum alternate tax (including unexpired credit for minimum alternate tax), fringe

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benefit tax, advance taxes, tax deducted at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, research and development cess, refund, reliefs, etc, accruing or arising to the Transferor Company, or losses arising or expenditure incurred by them, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.

10.3 The Transferor Company shall carry on their business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any of the business undertaking or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).

10.4 The Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require in relation to the Undertaking of the Transferor Company including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Transferee Company.

10.5 The Transferor Company shall not declare any dividend, between the Appointed Date and the Effective Date, without the prior written consent of the Transferee Company.

10.6 The Transferor Company shall not make any modification to its capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or re-organisation, declare dividend or in any other manner, whatsoever, except

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by mutual consent of the Boards of Directors of the Transferor Company and of the Transferee Company.

10.7 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.

11. ALTERATIONS TO AUTHORISED SHARE CAPITAL

11.1 Upon the Scheme becoming fully effective, the authorised share capital of the Transferor Company shall stand combined with the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its authorised share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorised share capital.

11.2 Consequently upon arrangement between the Transferor Company into the Transferee Company, the authorized share capital of the Transferee Company will be as under:

Particulars	Amount in Rs.
Authorized Share Capital	
20,70,00,000 Equity Shares of Rs. 10/- each	2,07,00,00,000
Total	**2,07,00,00,000**

11.3 The Capital Clause V of the Memorandum of Association of the Transferee Company shall, with effect from the Appointed Date and upon the Scheme becoming effective and subject to compliance of clause 11.4 be replaced by the following clause:

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"The present authorized capital of the Transferee Company is Rs. 2,07,00,00,000 (Rupees Two Hundred and seven Crores Only) divided into 20,70,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each with the power to increase or reduce or alter the capital, in accordance with the provisions of Companies Act, 2013."

11.4 Clause 3 of the Articles of Association of the Transferee Company shall, subject to compliance of clause 11.4, be modified and amended by deleting the existing Article and replacing it by the following:

"The present authorized capital of the Company is Rs. 2,07,00,00,000 (Rupees Two Hundred and Seven Crores Only) divided into 20,70,00,000 Equity shares of Rs. 10/- (Rupees Ten Only) each with power to increase or reduce or alter the capital, in accordance with the provisions of Companies Act, 2013."

11.5 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be sufficient for the alteration to the Memorandum and Articles of Association of the Transferee Company as may be required under the Act. The approval of this Scheme under Section 230 read with section 232 of the Companies Act, 2013 shall be deemed to have the approval under sections 13, 14, 52, 61, 63 and 64 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

12. ALTERATIONS TO OBJECTS CLAUSE

12.1 Upon the Scheme becoming fully effective, all the Main Objects contained in the Objects Clause of the Memorandum of Association of the Transferor Company, shall be totally adopted by the Transferee Company and the said Main Objects shall also become part and parcel of the existing Main Objects of the Transferee Company, without any further act, instrument or deed.

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12.2 It shall be deemed that the shareholders of the Transferee Company have resolved and accorded all relevant consents under Section 13 of the Act. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the Act for the amendments of the Memorandum of Association of the Transferee Company as above. The amendments to the Memorandum of Association of the Transferee Company shall be effected without any further act or deed and shall be treated as an integral part of the Scheme of Arrangement. The approval of this Scheme under Section 230 read with section 232 of the Act shall be deemed to have the approval under applicable provisions of the Act and any other consents and approvals required in this regard.

12.3 In order to carry on the activities currently being carried on by the Transferor Company, upon the approval of the Scheme by the respective shareholders of the Transferor Company and the Transferee Company pursuant to section 230 of the Act, it shall be deemed that the shareholders of the Transferee Company have also resolved and accorded all relevant consents under the Act or any other provisions of the Act for the commencement of any business or activities currently being carried on by Transferor Company in relation to any of the objects contained in the Memorandum of Association of the Transferee Company, to the extent the same may be considered applicable. In particular, the Transferee Company will be allowed to commence the new business added as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under the provisions of the Act.

13 ISSUE OF SHARES BY THE TRANSFEREE COMPANY TO THE SHAREHOLDERS OF THE TRANSFEROR COMPANY AND THE PUBLIC SHAREHOLDERS OF THE TRANSFEREE COMPANY

13.1 Upon the Scheme becoming effective, in consideration of the transfer of and vesting of the respective undertakings of the 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, 35 fully paid Equity Shares of Rs. 10/- (Rupees Ten only) each of the Transferee Company for every 128 Equity Shares of Rs.10 (Rupees Ten only) each of the Transferor Company held by the shareholders of Transferor Company as per the agreed Swap ratio determined based on the valuation of an Independent Chartered Accountant.

13.2 Further, in order to ensure that the interest of the Public Shareholders of Transferee Company is not prejudiced and to ensure that there is no dilution of shareholding of the Public Shareholders of Transferee Company pursuant to the amalgamation of Transferor Company into Transferee Company, the Transferee Company shall issue Bonus Equity Shares of Rs.10 (Rupees Ten) each of Transferee Company, credited as fully paid up Equity Shares to its Public Shareholders in such proportion and to the extent required to comply with the minimum public shareholding requirement of 25% as prescribed by SEBI vide its Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017 by way of capitalization of such sum standing to the credit of the Securities Premium Account of Transferee Company to the extent of face value of such bonus equity shares issued of Rs 10/- per equity share.

13.3 The allotment of Equity under clause 13.1 & 13.2 of the Scheme would be compliance of the Securities Contract Regulation Rules, 1957 ("**SCRA**") and

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would not breach or violate the promoter/public shareholding requirement prescribed and mandated under the SCRA.

13.4 No shares shall be issued in fractional entitlements, if any, by the Transferee Company, to the members of Transferor Company at the time of issue and allotment of Equity Shares.

13.5 The Transferor Company along with Igarashi Group is the holding company of the Transferee Company and 53.25% of its share capital is held by the Transferor Company and/or jointly with Igarashi Group. Upon the Arrangement of Transferor Company, the entire Equity Shares as held by the Transferor Company in the Transferee Company shall stand cancelled and reduced without any further act or deed as a consequence to the Scheme of Arrangement.

13.6 The cancellation and reduction of the issued, subscribed and paid-up share capital as above shall be treated as an integral part and a consequence of the Scheme itself and sections 66 **(Reduction of Capital)** of the Act shall not be applicable.

13.7 Upon the scheme coming into effect, the difference between the amount recorded as share capital issued by Transferee Company and the amount of share capital of the Transferor Company shall be transferred to capital reserve or general reserve of the Transferee Company.

13.8 Upon issue of fully paid up bonus Equity Shares by the Transferee Company to its Public Shareholders, an amount equal to the face value of the bonus Equity Shares issued to the public shareholders shall be capitalized by transferring the said amount standing to the credit of Securities Premium Account to the Share Capital Account.

13.9 The pre and post- merger shareholding pattern of the Transferee Company, upon the issue of Equity Shares pursuant to the clause 13.1 and cancellation of shares held by the Transferor Company pursuant to Clause 13.4 is provided below:

Particulars	Pre-merger		Number of new Equity Shares issued	Post-merger**	
	Number of Equity Shares	%		Number of Equity Shares (Pre-Bonus)	%
Promoters and promoter related group entities					
Igarashi Japan	9,67,648	3.16	80,13,906	89,81,554	27.81
Igarashi Hong Kong	24,99,993	8.17	2,36,906	27,36,899	8.47
Transferor Company	1,28,30,659	41.92	(1,28,30,659)*	-	-
Mr. P. Mukund and/or his nominees and affiliates	66,58,033	21.75	50,10,268	1,16,68,301	36.13
MAPE Securities	-	-	12,55,512	12,55,512	3.89
Total (A)	2,29,56,333	75.00		2,46,42,266	76.31
Public Shareholder (B)	76,52,111	25.00		76,52,111**	23.69**
Total (A)+(B)	3,06,08,444	100.00		3,22,94,377	100.00

* Shares held by the Transferor Company in the Transferee Company cancelled pursuant to clause 13.4 of the Scheme.

** The shareholding is post merger but prior to issue of Bonus shares pursuant to clause 13.2 of the Scheme. On issue of Bonus shares as provided under Clause 13.2 of the Scheme, the Public shareholders would hold 25% of the equity share capital of the Transferee Company in compliance with SEBI Guidelines.

13.10 The reduction of Equity Share Capital of the Transferee Company will not have any adverse influence on the creditors of the Transferee Company. The

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reduction of the Equity Share Capital does not involve either the diminution of any liability in respect of the unpaid Equity Share Capital or payment to any shareholder of any paid-up capital. Further, the reduction does not involve any cash outflow and therefore would not affect the liquidity or ability of the Transferee Company to meet its commitments/obligations in course of business.

13.11 **Listing & Trading of Shares**

a. The said new Equity Shares to be issued and allotted by the Transferee Company to the shareholders of Transferor Company and Bonus Equity Shares to be issued by the Transferee Company to its Public shareholders as mentioned above in clause 13.1 and 13.2 of the Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank for voting rights and in all other respects pari-passu with the existing Equity Shares of the Transferee Company.

b. The said new Equity Shares of the Transferee Company shall pursuant to circular issued by SEBI on 10th March 2017, bearing No. CFD/DIL3/CIR/2017/21 and subject to compliance with requisite formalities, be listed and/admitted to trading on the relevant stock exchanges where the shares of Transferee Company are listed and / or admitted to trading in terms of the applicable laws and regulations.

c. The Transferee Company shall if and to the extent required, apply for and obtain the requisite consent or approval as may be applicable from the Government of India and the Reserve Bank of India and other appropriate authorities concerned for the issue and allotment of new Equity Shares by the Transferee Company to the shareholders of the Transferor Company and for the issue of new bonus Equity Shares by the Transferee Company to its Public Shareholders in the ratio as mentioned in clause 13.1 and 13.2 of the Scheme

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d. The new Equity Shares of the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.

13.12 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 the clause 13.1 of the 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.

13.13 The issue and allotment of Bonus Equity Shares in the Transferee Company by the Transferee Company to its public shareholders as provided in the clause 13.2 of the 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 conditions laid down under section 52 and section 63 of the Companies Act, 2013, Regulation 95 of SEBI (ICDR) Regulations 2009 and any other applicable regulations were duly complied with.

13.14 The Scheme of Arrangement does not in any manner breach, override, violate or limit the provisions of the Securities Contract Regulation Act 1957 **("SCRA"),** the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 **("LODR")** or any other law, rule, regulations or circular in force issued and framed by the Securities and Exchange Board of India.

14. <u>ACCOUNTING TREATMENT IN BOOKS OF THE TRANSFEREE COMPANY</u>

14.1 Upon the scheme coming into effect and with effect from the Appointed Date, since the transaction involves entities which are ultimately controlled by the same parties before and after the transaction, the Amalgamation of the

Transferor Company with the Transferee Company shall be accounted by the Transferee Company as per the "Pooling of interest Method" in accordance with Appendix C "Business combinations of entities under common control' of Indian Accounting Standard (Ind AS 103) for Business Combination prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, as under.

14.2 Upon the scheme coming into effect, all asset and liabilities of Transferor Company shall be transferred to and vested in the Transferee Company and shall be recorded at their respective book values. No adjustment shall be made to the carrying amounts of assets and liabilities as reflected in the books of Transferor Company on the Appointed Date, to reflect fair values or recognise any new assets or liabilities including any new deferred tax assets or liabilities. All reserves of the Transferor Company are deemed to be carried forward and shall be recorded in the books of Transferee Company in the same form in which they appeared in the books of the Transferor Company as on the Appointed Date.

14.3 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

14.4 The investments in the share capital of Transferee Company held by Transferor Company shall stand cancelled and corresponding effect shall be given in the books of accounts and records of the Transferee Company.

14.5 To the extent of and with respect to Intercompany loans or balances between the Transferor Company and the Transferee Company, the rights and obligations shall come to an end.

14.6 Upon the scheme coming into effect, the accounts of the Transferee Company, as on the Appointed Date shall be reconstructed with the terms of this Scheme.

15. CONSEQUENTIAL MATTERS RELATING TO TAX

15.1 This Scheme has been drawn up to comply with the conditions relating to "Arrangement" as specified under the tax laws, specifically Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law with retrospective effect or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961 and other relevant provisions of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

15.2 All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and / or arising at the appointed date and relating to the Transferor Company shall be continued and / or enforced until the Effective date by the Transferor Company. As and from the Effective date,

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the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

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

15.4 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with the Revenue Authorities and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and credits pertaining to indirect taxes such as Cenvat credit, VAT credit etc of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee and Transferor Companies are expressly permitted to revise, if it becomes necessary, its Income tax returns, Sales tax returns, Excise & Cenvat returns, service tax returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between or amongst the Transferor Company and the Transferee Company.

15.5 Provided further that upon the Scheme becoming effective, the Transferee and Transferor Company are also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Certificates, including TDS Certificates relating to transactions between or amongst the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme. With respect to the TDS Certificates issued in the name of Transferor Company after the appointed date, the same will be deemed to be issued in the name of the Transferee Company for the Income tax purposes.

15.6 The tax deducted at source (TDS)/advance tax/minimum alternate 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/ minimum alternate tax paid by the Transferee Company and credit for such TDS/advance tax/minimum alternate tax shall be allowed to the Transferee Company 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.

15.7 Further, any tax deducted at source by Transferor company/ Transferee company on transactions with the Transferee company/ Transferor company, if any (from Appointed date to Effective date) shall be deemed to be the advance tax paid by the Transferee company and shall, in all proceedings, be dealt with accordingly.

15.8 In accordance with the Cenvat Credit Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs/capital goods/ input services lying in the accounts of the Undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty/ service tax payable by it.

15.9 In accordance with the State Value Added Tax Act, as are prevalent on the Effective Date, the unutilized credits, if any, relating to VAT paid on inputs /

works in process / capital goods lying in the accounts of the Undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the VAT/ CST payable by it.

15.10 Further, after the transferee company obtains Registration under Central Excise / VAT laws/ SEZ Laws/ service tax laws and other identified legislations, the transferor company, for effecting the above as mentioned, will initiate necessary documentation and procedures as required for transfer of unutilized credits under the indirect tax laws/ export incentives/ benefits/ licenses/ scrips issued vide Merchandise Exports from India Scheme (MEIS) received or receivable under the Foreign Trade Policy pertaining to transferee's business.

15.11 Any 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.

15.12 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 valuation date after Appointed Date. 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.

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15.13 In respect of the inter-company service transactions between the Appointed Date and the Effective Date of the Scheme of Arrangement, service tax charged by the service provider to the service recipient entity would be available as Cenvat credit to the recipient entity, despite such transactions getting disregarded as service transactions.

15.14 Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses , tax losses), book unabsorbed depreciation , tax unabsorbed depreciation , credits (including, without limitation income tax , minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback , etc.) to which the Transferor Company are entitled to in terms of applicable laws , shall be available to and vest in the Transferee Company, upon this scheme coming into effect.

15.15 Upon the Scheme coming into effect of this scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

PART IV – GENERAL TERMS AND CONDITIONS

16. APPLICATION TO NCLT

16.1 The Transferor Company and the Transferee Company shall, with reasonable dispatch, apply to the NCLT for necessary orders or directions for holding meetings of the members/creditors of the Transferor Company for sanctioning this Scheme of Arrangement under Section 230 of the Companies Act, 2013 (or such applicable provisions of the Companies Act, 2013, as the case may be) or for dispensing the holding of such meetings and orders under Section 230 to 240 of the Companies Act, 2013 for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

17. DISSOLUTION OF TRANSFEROR COMPANY

17.1 Subject to an order being made by the NCLT under the Companies Act, 2013, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

18 MODIFICATIONS / AMENDMENTS TO THE SCHEME

18.1 The Transferor Company and the Transferee Company through their respective Boards of Directors including Committees of Directors or other persons, duly authorised by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the NCLT or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without process of winding up as they may consider necessary, to settle any doubt, question or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this scheme into effect.

18.2 If any Part or provision of this Scheme hereof is invalid, ruled illegal by any NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the

Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, 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 or provision.

19. DATE OF TAKING EFFECT

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

20. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to -

20.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

20.2 Approval of and agreement to the Scheme by the requisite majority of each class of the respective members and creditors of the Transferor Company, as well as the Transferee Company, in terms with the applicable provisions of the Act and guidelines issued by SEBI, as amended and updated from time to time; and, as may be considered necessary to give effect to the Scheme. It is hereby clarified that the Transferee Company will provide for voting by public shareholders through postal ballot and e-voting and that the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the

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Scheme are more than the number of votes cast by the public shareholders against it.

20.3 The sanction by the NCLT under Section 230 read with section 232 of the Act and other applicable provisions of the Act being obtained by the Transferor Company and the Transferee Company,

20.4 The filing with the Registrar of Companies, Chennai of certified copies of order sanctioning the Scheme by the Transferor Company and Transferee Company.

21. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

21.1 In the event of the Scheme not being sanctioned by the NCLT and/or the Order or Orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, 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. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

22. POWER TO WITHDRAW THE SCHEME AT ANYTIME

22.1 In the event of any condition or amendment or modification that may be imposed by the NCLT 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.

23. EXPENSES CONNECTED WITH THE SCHEME

23.1 All costs, charges, levies, fees, duties and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme shall be borne and paid by the Transferee Company.

SCHEDULE I

MAIN OBJECTS OF THE TRANSFEREE COMPANY

1. To manufacture, fabricate, assemble, repair, maintain, purchase, sell, lease or otherwise deal in all type of electric motors, generators, regulators, transformers, conductors, alternators, and other equipment, apparatus, instruments, components, parts, systems required for, or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity.

2. To manufacture, fabricate, assemble, design, develop, repair, maintain, purchase, sell, resell, trade, lease or otherwise deal in systems, sub systems, equipment appliances, components, using electric motors, brushes or brush cards.

OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS

1. To enter into contracts, agreements and arrangements with any other Company firm or person on behalf of the Company of the objects for which the Company is formed.

2. To obtain any order from the Government, Court or any authority for enabling the Company or carry any of its objects into effect or for effecting any modification of the Company's constitution or for any purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

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3. To borrow or raise money with or without security and secure the payment of money by way of mortgage or in such other manner as the Company shall think fit and in particular by the Issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's properties (both present and future) including its uncalled capital and to redeem or pay off any such securities and to borrow money on any terms and conditions upon the security of mortgages or pledges of or upon all or any part of the property of the Company or upon any calls on members made or to be made or without any such mortgage or pledge and to borrow or receive on deposit at interest or otherwise money, stocks, funds, shares, securities or other properties and also by similar mortgage, charge, debenture, or any other person or company of any obligation undertaken by the Company or any other person or Company as the case may be subject to the provisions of Section 58A of the Companies Act, 1956 and directives of the Reserve Bank of India.

4. To receive and hold for its own use, benefit on behalf or in trust or otherwise moneys and other property and estates, real, personal, and mixed of whatever kind and nature and the same to invest, reinvest, manage, settle, control, sell and dispose of in any manner and to collect, manage, invest, reinvest, adjust and in any manner to dispose of the income, profits and interest arising therefrom upon such terms as may be agreed upon between the Company and the persons contracting with it.

5. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other transferable/negotiable instruments.

6. To invest and deal with the moneys of the Company not immediately required as may from time to time be determined.

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7. To open bank accounts of all kinds including overdraft accounts and to operate the same.

8. To insure with any Company or person against losses, damages, risks and liabilities of all kinds which may affect the Company and to act as agents and brokers for placing insurance risks of all kinds in all its branches.

9. To sell, let on lease, exchange, deal with or otherwise dispose of all of the property of the Company or any part thereof or its rights, interests and privileges for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other Company.

10. To vest any real or personal property, rights, or interest acquired by or belonging to the Company in any person or the Company on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.

11. To acquire by purchase, lease, exchange or otherwise and sell land, buildings and hereditaments of any tenure or description and any estate or interest therein and any rights over or connected with land and to develop and to turn the same and/or any other property in which the Company may be interested to account as may seem expedient or to contribute to, subsidize or otherwise assist or take part in developing and turning to account any property and develop and turn to account the resources of any property, whether belonging to the Company or not, and in particular, but without prejudice to the generality of the foregoing, by laying out and preparing the same for afforestation and for building purposes, constructing, altering, pulling down, decorating, maintaining, furnishing, improving and managing buildings of all kinds, roads, harbours, bridges, reservoirs, watercourses, ways, plantations, fortifications, hydraulic-works, mills, smelting works, factories, furnaces, viaducts and other works, enterprises, and projects of all descriptions and by leasing or otherwise dealing

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with the same and by advancing money to and entering into contracts and agreements of all kinds with builders, contractors, tenants and others.

12. To employ managers, technical experts, officers, staff, workers and whosoever required for carrying on the business of the Company and to remunerate them by payments in cash or kind and other perquisites and social benefits.

13. To provide for the welfare of Directors, employees, or ex-employees of the Company or of any Company which is a subsidiary of the Company and the wives, widows and families or the dependents or the connection of such persons by building or contributing to the building of houses or dwellings or quarters or by grant of loan and money, pensions, gratuities, allowances, bonuses or profit sharing bonuses or profits or any other payments or by creating and from time to time subscribing or contributing to provident funds, pension, superannuation and gratuity funds or any other funds or any other associations, institutions, funds, profit sharing or other schemes or trusts and by providing or subscribing or contributing towards places, of construction, recreation, holiday homes, hospitals, dispensaries, medical and other assistance as the Company shall think fit.

14. To subscribe, contribute or donate land or otherwise assist or guarantee money to charitable, benevolent, religious, scientific, natural public or other institutions, objects or purposes or for any exhibition.

15. To incur all the expenditure that may be lawfully incurred for carrying on the business of the Company.

16. To appoint brokers, agents, lawyers, accountants, experts and such other person or persons or firms for the purposes of carrying out the business and achieving the objects of the Company.

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17. To lend and advance money or give credit to such persons, firms or companies and on such terms as may seem expedient and in particular to customers and others having dealings with this Company and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons, firms or companies and generally to give guarantees.

18. To remunerate or make donations (in cash or by the issue of fully or partly paid shares or debentures of this or any other Company or in any other manner the Directors may think fit to any person or persons whether Directors, officers, staff, technical experts or agents of the Company or not, for services rendered or to be rendered in the conduct of this Company's business or in placing or assisting to place any shares in the capital of or any debentures, debenture stock or other securities of this Company or any other Company formed or promoted by this Company or in which this Company may be interested in or about the formation or promotion of this Company or any other company as aforesaid.

19. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of exports and to develop export promotion programme for the supply of goods, services, facilities, and activities incidental to such exports and the words "export market development" shall include all such activities as may be regarded as "export market development activities".

20. To sell the undertaking or undertakings of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares or debentures, debenture stock, or other securities of any other company having objects altogether or in part similar to those of the Company.

21. To enter into any arrangements with any governments or other authorities or any corporations, companies or persons that may seem conducive to the attainment of the Company's objects or any of them and to obtain from any

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such government, authority, corporation, company or person any charters, contracts, decrees, rights, privileges, licences, permits, and/or concessions which the Company may think desirable and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges, licences, permits and/or concessions which the Company may think desirable and to carry but, exercise and comply with any such charters, contracts, decrees, rights, privileges, licences, permits and concessions.

22. To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which this Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company or to acquire an interest in, amalgamate with or enter into partnership or into any arrangements for sharing profits or for co-operation or for limiting competition or for mutual

assistance with any such person, firm or company and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.

23. To distribute any of the properties of the Company whether upon a distribution of assets or a division of profits among members in specie or otherwise subject to the applicable provisions of the Companies Act, 1956.

24. To amalgamate with any other company having objects altogether or in part similar to those of the Company.

25. To promote any company or companies having similar business for the purposes of acquiring all or any of the property or liabilities of any other Company and hold shares and debentures in any such company and to

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guarantee the payment of any debentures or other securities issued by any such company.

26. To take or otherwise acquire and hold shares and debentures in any other company having objects altogether or in part similar to those of this Company.

27. To subscribe for, conditionally or unconditionally to undertake, issue on commission or otherwise, take, hold, deal in, and convert stocks, shares, debentures and securities of all kinds, and to enter into partnership, or into any arrangement for sharing profits, union of interests, reciprocal concession or co-operation with any person, partnership or company, and to promote, or aid in promoting, constitute, form or organise any company or partnership of any kind, for the purposes of acquiring an undertaking any property and liabilities of any other Company, or of advancing, directly or indirectly the objects thereof.

28. To provide or procure the provision by others of every and any service, need, want or requirement of any business nature required by any person, firm or company in or in connection with any business carried on by them.

29. To carry on business and maintain branches abroad in any part of the world for all or any of the purposes herein set forth.

30. To procure the Company to be registered or recognised in any foreign country or place.

31. To apply for, register, purchase or by other means acquire and protect, prolong, and renew, in any part of the world any patents, patent rights, brevets, d-invention, licences, trademarks, designs, protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account and to manufacture, undertake or grant licences or privileges in respect of the same and to spend money in

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experimenting upon and testing and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.

32. To pay all expenses incidental to the formation or promotion of this or any other company and the conduct of its business and to remunerate any person or company for services rendered in placing or assisting to place or guaranteeing the placing of any of the shares in or debentures or other securities of the Company or in or about the promotion, or business of the Company or of any other company promoted wholly or in part by this Company.

33. To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise and by or through agents or otherwise and either alone or in conjunction with others.

(C) OTHER OBJECTS

1. To purchase, manufacture, merchandise, goods and materials and construct, fabricate, assemble, let or hire, alter and deal in pumps, armatures, dynamos, magnets, batteries, conductors, insulators, transformers, converters, switchboard, insulating materials, control panels, evaporators, condensers, compressors, air conditioners, refrigerators, alternators, controls, plant, apparatus, machinery, fittings, furnishings, castings, pressing, drawing, extrusion, mouldings of all metals and plastics, power hand tools, materials, spare parts, accessories and fixtures thereof.

2. To undertake and execute any contracts for works involving the supply or use of any plant, machinery articles or things which the Company is entitled to

produce or deal in and to carry out any ancillary or other works comprised in such contracts.

3. To carry on the business of metal founders, mechanical engineers, and manufacturers of agricultural implements, and other machinery, tool-make, brass, founders, metal-workers, boiler-makes, mill-wrights, mechinist iron and steel converters, smiths, wood-workers, builders, painters, metallurgists, water supply engineers, gas-makers, farmers, printers, carriers, and merchants and to buy, sell, manufacture, repair convert, alter, let or hire, and deal in machinery, implements and rolling stock.

4. To purchase, manufacture, construct, fabricate, assemble, hire, let or hire, alter and deal in all kinds of plant machinery, equipment, accessories, spare parts, appliances, tools, apparatus, utensils, materials, substances, articles, things, requisites and facilities necessary or useful for or in connection with any industry.

5. To carry on all or any of the business of manufacturers, installers, maintainers, repairers of and dealers in electrical and electronic appliances and apparatus of every description, and of and in radio, television and telecommunication requisites and supplies and electrical and electronic apparatus, appliances equipment and stores of all kinds.

6. To manufacture, buy, import, export, put up, sell, use, instal, hire, let on hire, repair, assemble, distribute and otherwise deal in or trade in, telephones, telegraphs (wireless or other) dynamos, motor engines, accumulators, transformers, condensers, capacitors, cables, resistances, amplifiers, transmitters, chokes, cables, wires, lamps, dry cells, batteries, torches, lighters and all appliances, apparatus, machinery, goods, gadgets, accessories, articles and things not known or which may hereafter be invented or connected with the generation, accumulation, distribution, supply of employment of

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electricity or any power, force or energy that can be used as substitute thereof including all cables, wires, or appliances for connecting apparatus at a distance with the other apparatus and including the formation, maintenance and alteration of exchange and centres.

7. To carry on the business of designers, manufacturers, merchants, dealers and repairs of absorption, reabsorption compressor and thermoelectric after coolers, air-conditioners and cold storage machinery, plant, apparatus, appliances, fittings and equipment of every description and thermostats for automatic temperature control, and, room heaters with or without blow fan and hot water heaters operated with electricity, gas or oil, and of all machinery implements, utensils, appliances, accessories and component parts and all things capable of being used therewith.

8. To manufacture, fabricate, assemble, repair, maintain, purchase, sell, lease or otherwise deal in all types of equipments, apparatus, instruments, components, parts, systems required for or capable of being used in connection with generation, distribution, supply, accumulation, and employment of electricity.

9. To manufacture, fabricate, assemble, design, develop, repair, maintain, purchase, lease or otherwise deal in Micro Processor Based Systems, computers, peripherals, accessories, electronic components, electronic equipment and systems, communication equipment and software of every kind and description.

10. To undertake research and development, system and design and consultancy for assignments and projects involving electrical, mechanical or civil engineering, electronics, computer science and other areas of science and technology.

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11. To buy, sell, manufacture, refine, manipulate, import, export and deal in substances, apparatus and things capable of being used in any business of the Company.

12. To carry on the business of electricians, electrical engineers, electrical contractors, and manufacturers of all kinds of electrical machinery and electrical apparatus for any purpose whatsoever and to manufacture, sell supply and deal in accumulators, lamps, meters, engines, dynamos, batteries, telephonic or telegraphic instruments of any kind.

13. Generally to do all such other things as may appear to be incidental or conducive, to the attainment of the above objects or any of them in any part of the world, and as principals, agents, contractors, trustees or otherwise and either alone or in conjunction with others and so that the word "Company" in this Memorandum when applied otherwise than this Company shall be deemed to include any authority, partnership or other, body of persons, whether incorporated or not, and domiciled in India, or elsewhere, and the intention is that the objects set forth in each of the several paragraphs of this clause, shall have the widest possible construction and shall be in no way limited or restricted by reference or references from the terms of any other paragraph of this Clause or the name of the Company.

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