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SCHEME OF ARRANGEMENT INVOLVING AMALGAMATION

Under Sections 391 to 394 of the Companies Act, 1956

OF

LEGEND DISTILLERIES PRIVATE LIMITED

("Transferor Company")

WITH

SOM DISTILLERIES & BREWERIES LIMITED

("Transferee Company")



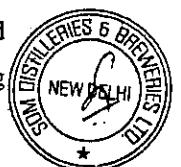
PREAMBLE**A. Description of Companies:**

A brief description of the Companies are given below:

- (a) Legend Distilleries Pvt. Ltd. ("Transferor Company") is a company incorporated under Companies Act, 1956 having its registered office at 23, Zone-II, M.P.Nagar, Bhopal. The Transferor Company is presently engaged in the business of manufacturing Indian Manufactured Foreign Liquor (IMFL). The Transferor Company has its manufacturing facilities at Bilaspur, Chhattisgarh. The equity shares of the Transferor Company are not listed in any Stock Exchange and the promoters' shareholding is 100%.
- (b) Som Distilleries & Breweries Limited ("Transferee Company") is a company registered under the Companies Act, 1956 having its registered office at 1-A Zee plaza, Arjun nagar, Safdarjang Enclave; New Delhi-110029. The Transferee Company is presently engaged in the business of brewing, fermentation, bottling, canning and blending of Beer and Indian Manufactured Foreign Liquor (IMFL). The equity shares of the Transferee Company are listed on the Bombay Stock Exchange and National Stock exchange. The promoters shareholder was 22.55% as on 31.03.2014.

B. Rationale for and benefits of the Scheme of Arrangement:

- a. Both the Transferee Company and the Transferor Company are engaged in business of manufacture and sale of alcohol, and allied products. It is proposed to integrate the business activities of the two companies by transfer of all the assets and liabilities of the transferor company to the transferee company to create a larger unified manufacturing and marketing facilities, enabling optimal utilization of resources and synergy of operations.. This would also enable better mobilization and utilization of funds resulting in better profitability.
- b. The amalgamation would reduce administrative through common purchase, marketing and administrative arrangements.
- c. The amalgamation will enable its financial improvements in the short term as well as long term and a stronger asset base thereby enabling the amalgamated company to avail of greater borrowings, to expand and grow into a larger organization, reduce the effect of vagaries of business cycle and to avail of new opportunities. The amalgamation would enable the amalgamated company to increase value realization of its operations and confer a competitive advantage on the amalgamated company, providing a strong



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management base to the manufacturing operations of the consolidated entity enabling it to place itself as a strong regional market player.

- d The scheme of merger of the transferor company into the transferee company is intended not only to increase the business being carried on by both the companies but also for the benefit of the shareholders and creditors of both the companies. No portion of any business is intended to be closed. Interest of any employee of transferor Company will not be adversely affected. Total taxes paid are likely to increase with passage of time. The stakes of the promoters will increase thus giving greater confidence to the market in the amalgamated company.

In view of the aforesaid, it has been thought fit and advantageous to amalgamate the Transferor Company with the Transferee Company pursuant to this Scheme of Amalgamation under the provisions of Sections 391 to 394 of the Companies Act, 1956.

C. Parts of the Scheme:

The Scheme of Amalgamation is for the transfer and vesting of the entire Undertaking (as defined hereinafter) including all assets, properties and liabilities of the Transferor Company to and in the Transferee Company and for various other matters consequential or otherwise integrally connected with the Scheme.

This Scheme of Amalgamation is divided into the following parts:

- (i) **Part I** deals with definitions of terms used in this Scheme of Amalgamation and the share capital of the Transferor Company and the Transferee Company;
- (ii) **Part II** deals with the transfer of the Undertaking (as defined hereinafter) of the Transferor Company to the Transferee Company;
- (iii) **Part III** deals with issue of Equity Shares by the Transferee Company and incidental matters including conversion of loan into equity;
- (iv) **Part IV** deals with general terms and conditions applicable to this Scheme of Arrangement Involving Amalgamation.

PART I

DEFINITIONS AND SHARE CAPITAL



1. In this Scheme, the following terms shall have the meanings set out below:-

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- 1.1 "Act" means the Companies Act, 1956 and includes any statutory re-enactment or modification thereof from time to time;
- 1.2 "Appointed Date" means 1st April 2014 or such other date as may be approved by the Hon'ble High Court of Delhi at New Delhi;
- 1.3 "Effective Date" means the last of the dates on which the Orders of the respective Hon'ble High Court(s) sanctioning the Scheme of Amalgamation are filed with, the Registrar of Companies by the Transferor Company and by the Transferee Company. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date;
- 1.4 "Governmental Authority" means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any board, bureau or instrumentality thereof;
- 1.5 "High Court" means the Hon'ble High Court of Delhi at New Delhi and/or the Hon'ble High Court of Madhya Pradesh at Jabalpur having jurisdiction in relation to both the Transferor Company and the Transferee Company (hereinafter referred to as "the respective Hon'ble High Court").
- 1.6 "Public Category Shareholders" means the public shareholders of the Transferor Company and include their legal heir, successor and assigns.
- 1.7 "Record date" for purpose of determining the names and holdings of respective shareholder of the transferor company shall be fixed by the Board of Directors of the transferee company but shall not be later than 2 months from the effective date.
- 1.8 "Scheme" or "Scheme of Amalgamation" means this Scheme of Amalgamation as submitted in the present form to the respective Hon'ble High Court together with such modification(s), if any, made from time to time as approved or as directed by the Hon'ble High Court of Delhi;
- 1.9 "Transferee Company" or "SDBL" means Som Distilleries & Breweries Limited, a company registered under the Act having its registered office 1-A Zee plaza, Arjun nagar, Safdarjang Enclave; New Delhi-110029, CIN : L74899DL1993PLC052787
- 1.10 "Transferor Company" means Legend Distilleries Pvt Ltd., a company incorporated under the Act having its registered office at 23, Zone-II, M.P Nagar, Bhopal, Madhya Pradesh, CIN: U15531MP1993PTC007633



1.11 "Undertaking" in relation to the Transferor Company, shall mean the whole of the undertaking and the entire business of the Transferor Company as a going concern, comprising of:

- (i) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, without limitation, leases, tenancies, licences, plant and machinery (whether fixed or moveable), accessories, implements, equipments, tools, vehicles, raw materials, work in progress, finished goods, by-products, furniture, fixtures, office equipment, appliances, power lines, power sanctions, telephones, telexes, facsimile, internet connections, leased line connections and installations, water, utilities, electricity and other services connections, etc.;
- (ii) All deposits and investments of all kinds (including investments in shares, scrips, stocks, bonds, debentures, debenture stock, units and certificates), cash in hand and balances with banks, loans, advances, contingent rights or benefits, receivables, claims, refunds, reimbursements or earnest moneys paid by the Transferor Company; financial assets, leases (including lease rights), hire purchase assets, lending contracts, rights and benefits under any agreements, benefit of any security arrangements or under any guarantees, reserves, provisions and funds;
- (iii) All registrations, licences, reversions, powers, authorities, allotments, entitlements, assignments, privileges, sanctions, approvals, licenses, permits, quotas, subsidies, incentives, concessions, exemptions, relaxations, liberties, sanctions, consents, contracts, including benefits, exemptions and incentives arising out of exports or by virtue of any law or programme's or policies of the Government or any municipal or other authority;
- (iv) All tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under the Central Excise Act (Cenvat Credit), service tax laws, value added tax (VAT), entry tax, purchase tax, sales tax or any other duty or tax or cess or imposts under any Central or State law;
- (v) All benefits, incentives, exemptions, subsidies, concessions and entitlements under any policies of the Central and / or State Government.
- (vi) All trade and service names and marks, patents, designs, copyrights, software and computer programmes, databases, domain name(s) and rights and other intellectual property rights of any kind including all applications filed by the



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Transferor Company for registration of any such rights and the benefits thereof and any assignment thereof or related thereto and all records of any kind;

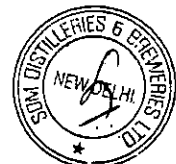
- (vii) All rights, benefits and other interest, whether held in trust or otherwise, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including title, interests, other benefits (including tax benefits), easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, possession, power or custody of or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company in connection with or relating to the Transferor Company or its Undertaking and all other interests of all kind and of whatsoever nature, whether in India or abroad;
- (viii) All debts, liabilities (including contingent liabilities), duties, undertakings and obligations of the Transferor Company of any kind, nature and description whatsoever;

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1. All terms not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and / or other applicable laws, rules and regulations or any statutory modification or re-enactment thereof, from time to time.
2. As per the audited accounts of the Transferor Company as on 31st March 2014, the authorized, issued, subscribed and paid-up share capital of the Transferor Company was as under:

| | Rs. |
|--|-------------|
| Authorised Share Capital: | |
| 32,50,000 Equity Shares of Rs 10/- each | 3,25,00,000 |
| Issued, Subscribed and Paid-up Share Capital: | |
| 32,37,100 Equity Shares of Rs 10/- each | 3,23,71,000 |

3. As per the audited accounts of the Transferee Company as on 31st aMarch 2014the authorized, issued, subscribed and paid-up share capital of the Transferee Company was as under:



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| | Rs. |
|---|-------------|
| <u>Authorised Share Capital:</u> | |
| 350,00,000 Equity shares of Rs 10 each | 350,000,000 |
| | |
| <u>Issued, Subscribed and Paid-up Share Capital:</u> | |
| 275,224,00 Equity shares of Rs 10 each | 275,224,000 |

4. The Scheme shall come into operation from the Appointed Date, but the same shall become effective only from the Effective Date.

PART II

TRANSFER OF UNDERTAKING

5. On the coming into effect of this Scheme and with effect from the Appointed Date, the whole of the Undertaking of the Transferor Company shall, pursuant to the sanction of this Scheme by the respective Hon'ble High Court(s) and pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company, as a going concern, without any further act, deed, matter or thing and without the execution of any instrument, document or writing, so as to become the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
6. Without prejudice to the generality of Clause 5 above, it is specifically provided that upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act :
- (a) All the assets and properties comprised in the Undertaking, except for the portion dealt with under sub-clause (b) below, of whatsoever nature and wheresoever's situate and which are incapable of passing by manual delivery, shall, without any further act or deed or conveyance, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, the assets and properties of the Transferee Company, subject however to the provisions of Clause 8 herein below, if and so far as applicable.
- (b) With respect to all immovable assets and properties of the Transferor Company, the mutation/ substitution of the title to the immovable properties shall be made and duly



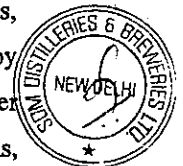
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recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the respective Hon'ble High Court(s) and the Scheme becoming effective in accordance with the terms hereof.

(c) With respect to such assets and properties of the Transferor Company, as are movable in nature and are capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred and delivered or, as the case may be, endorsed and / or delivered in favour of and to the Transferee Company and shall, thereupon become the assets and properties of the Transferee Company, without requiring any deed or instrument or conveyance for the same.

(d) All sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, contingent rights, investments (including investments in shares, scrips, stocks, bonds, debentures, debenture stock, units or certificates) earnest money and deposits with any Government, Semi-Government, local or other authority or body or with any company or other person, shall stand automatically transferred, assigned, endorsed, acknowledged, confirmed in favour of the Transferee Company and made good, paid, held on account of the Transferee Company as the person entitled thereto and appropriate noting, endorsement, acknowledgement, entry shall be passed by the concerned person(s), debtor(s), bank(s), depositor(s) or authority(ies). The Transferor Company and/or the Transferee Company shall, if required, give notice in such form as it may deem fit and proper, to the concerned person(s), debtor(s), bank(s) or depositor(s) or authority(ies), as the case may be, to the effect that pursuant to the respective Hon'ble High Court having sanctioned the amalgamation of the Transferor Company with the Transferee Company the said debts, receivables, bills, credits, loans, advances, bank balances, contingent rights, investments, earnest money and deposits be paid or made good or held on account of or in the name of the Transferee Company as the person entitled thereto and that appropriate entry should be passed in its or their books to record the aforesaid change.

(e) All registrations, licenses, reversions, powers, authorities, allotments, entitlements, assignments, privileges, sanctions, approvals, licenses, permits, quotas, subsidies, incentives, concessions, exemptions, relaxations, liberties, sanctions, consents, contracts, including benefits, exemptions and incentives arising out of exports or by virtue of any law or programmes or policies of the Government or any municipal or other authority, all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under the Central Excise Act (Cenvat Credit), service tax laws, value added tax (VAT), entry tax, purchase tax, sales tax or any other duty or tax or cess or imposts under any Central or State law, all benefits, incentives, exemptions, subsidies, concessions and entitlements under any policies of the Central and / or State Government, whether in the past, present or future, granted to or enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may



accrue to the Transferor Company, whether before or on or after the Appointed Date, shall without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company and the same shall remain valid, effective and enforceable on the same terms and conditions.

(f) The benefits, incentives, concessions and exemptions under any Policy of the Government of Madhya Pradesh to which the Transferor Company is entitled or may become entitled shall stand transferred to and vested in the Transferee Company, as if the Transferee Company had set up the concerned units/made expansions and investment instead of the Transferor Company and the same was available originally to the Transferee Company.

(g) All the assets and properties comprised in the Undertaking of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all the assets and properties, which are acquired by the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company and shall under the provisions of Section 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Transferee Company upon the coming into effect of this Scheme.

7. Without prejudice to the generality of Clause 5 above, it is specifically provided that on the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act :

(a) All liabilities of every kind, nature and description of the Transferor Company shall be transferred or be deemed to be transferred to the Transferee Company, without any further act, instrument, deed, matter or thing and the same shall be assumed by the Transferee Company so as to become on and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall meet, discharge and satisfy the same and further 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 liabilities have arisen in order to give effect to the provisions of this Clause.

(b) All debts, loans, liabilities and obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give

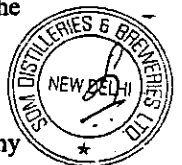


rise to a contingent liability in whatever form), as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts or loans raised and liabilities and obligations incurred by the Transferor Company and which arise or accrue against the Transferor Company on or after the Appointed Date till the Effective Date and to the extent they are outstanding on the Effective Date, shall, without any further act, instrument or deed, be and stand transferred to or be deemed to be transferred to the Transferee Company and shall become the debts, loans, liabilities and obligations of the Transferee Company, which shall meet, discharge and satisfy the same and further 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, loans, liabilities and obligations have arisen in order to give effect to the provisions of this Clause.

- (c) Where any of the liabilities of the Transferor Company as on the Appointed Date have been discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been made for and on account of the Transferee Company.
- (d) All debts, loans liabilities and obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), due on the Appointed Date, or which may thereafter become due, between the Transferor Company and the Transferee Company shall, ipso facto, and discharged and come to an end and there shall be no liability in that behalf on either party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any Transferor Company), liabilities and obligations with effect from the Appointed Date.
- 8.(a) In so far as the assets and properties of the Transferor Company are concerned, the securities, charges, encumbrances or liens, if any, (hereinafter referred to as the "Encumbrances") created at any time prior to the Effective Date, over the assets and properties or any part thereof transferred to the Transferee Company in terms of this Scheme and relating to the Liabilities of the Transferor Company, shall, on and from the Effective Date, without any further act, deed or instrument, continue to relate or attach to such assets and properties or any part thereof of the Transferor Company, but such Encumbrances, if any, shall not relate or attach to any of the other assets and properties of the Transferee Company or any part thereof.



- (b) Without prejudice to sub-clause (a) of this Clause, it is clarified that any reference in any security documents or arrangements to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferee Company, provided always that such Encumbrances, if any, shall extend only to and over those assets and properties of the Transferor Company, which are transferred to and vested in the Transferee Company pursuant to this Scheme and not to any other assets and properties of the Transferee Company.
- (c) The existing securities, encumbrances or liens over the assets and properties of the Transferee Company or any part thereof which relate to any liability, loan, deposit or facility availed of by the Transferee Company shall continue to relate or attach to the assets and properties of the Transferee Company to which the same relate or attach and nothing contained in this Scheme shall operate to enlarge or extend such securities, charges, encumbrances or liens to any of the other assets or properties of the Transferor Company or any part thereof which are transferred to and vested in the Transferee Company under and pursuant to this Scheme.
9. Subject to Clauses 5 to 8, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes with effect from the Appointed Date.
10. On the coming into effect of this Scheme, and subject to the provisions of this Scheme:
- (a) All contracts, deeds, bonds, agreements memorandums, arrangements and other instruments (including all tenancies, leases, licenses and other assurances in favor of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall, subject to the provisions of this Scheme, without any further act, instrument or deed, continue in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or obligee thereunder.
- (b) All the contracts and agreements entered into by the Transferor Company shall, without any further act, deed or instrument, stand transferred to the Transferee Company, as if these were originally entered into with the Transferee Company. The name of the Transferee Company shall stand substituted instead of



the Transferor Company in all such contracts, arrangements, agreements and documents without any further act, deed, matter or thing.

11. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, take such actions or enter into or issue or execute deeds, writings, confirmations, assignments, novations, declarations, or other documents with or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company to be carried out or performed.

12. (a) On and from the Appointed Date, all suits, actions and legal proceedings by or against the Transferor Company shall be continued and/or enforced until the Effective Date as desired by the Transferee Company and on and from the Effective Date, shall be continued and/or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or were pending and/or arising by or against the Transferee Company.

(b) If any suit, appeal or other proceedings of whatever nature by or against the Transferor Company be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Undertaking or of anything contained in this Scheme but the 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.

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

(a) The Transferor Company shall carry on and shall be deemed to have carried on its business and activities relating to its Undertaking as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood



possessed of its Undertaking on account of, and for the benefit of, and in trust for, the Transferee Company.

(b) All the profits or incomes accruing or arising to the Transferor Company, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or as the case may be, expenditure or losses (including taxes) of the Transferee Company.

(c) All taxes (including income tax, sales tax, excise duty, customs duty, service tax, value added tax, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, value added tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

(d) Any of the rights, powers, authorities and privileges exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

14. With effect from the date of filing of this Scheme with the Hon'ble High Court and upto and including the Effective Date:

(a) The Transferor Company shall preserve and carry on its business and activities with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or on behalf of its subsidiaries or group companies or any third party or sell, transfer, alienate, charge, mortgage or encumber or deal with the Undertaking or any part thereof save and except in its ordinary course of business as carried on by it as on the date of filing this Scheme with the respective Hon'ble High Court(s) or if the



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same is permitted by this Scheme or if prior written consent of the Transferee Company has been obtained.

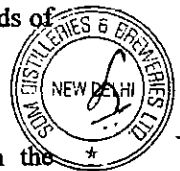
(b) The Transferor Company and the Transferee Company shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares) decrease, reduction, reclassification, subdivision or consolidation, re-organisation or in any other manner which may, in any way, affect the Share Exchange Ratio (as provided in Clause 16 below), except under any of the following circumstances:

by mutual consent of the respective Board of Directors of the Transferor Company and of the Transferee Company; or (ii) as may be permitted under this Scheme.

15. (a) , On the coming into effect of this Scheme all the employees of the Transferor Company who are in employment as on the Effective Date shall become the employees of the Transferee Company with effect from the Effective Date, without any break or interruption in service and on the same terms and conditions as to employment and remuneration on which they are engaged or employed by the Transferor Company. The Transferee Company undertakes to continue to abide by the agreement / settlement, if any, entered into by the Transferor Company with any employee of the Transferor Company.

(b) The amounts transferred by the Transferor Company towards gratuity, provident fund, pension and/or superannuation fund for the benefit of the employees of the Transferor Company (collectively referred to as the "Funds") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the Transferee Company.

(c) In relation to employees of the Transferor Company for whom the Transferor Company is making contributions to any third party gratuity or superannuation fund, the name of the Transferee Company shall stand substituted for the name of the Transferor Company for all purposes relating thereto, including relating to the obligation to make contributions to the said funds in accordance with the terms of such funds.



(d) With effect from the first of the dates of filing of this Scheme with the respective Hon'ble High Court(s) and up to and including the Effective Date, the Transferor Company shall not vary or modify the terms and conditions of employment of any of its employees, except with the consent of the Transferee Company. The terms of employment of employees of the Transferor Company shall not be adversely affected by virtue of the amalgamation except with the agreement of the concerned employees.

(e) Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under Clauses 5 to 9, of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company before the Appointed Date or on or 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 made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

PART III

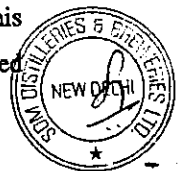
ISSUE OF EQUITY SHARES

16 (a). In consideration of the transfer and vesting of the Undertaking to and in the Transferee Company, on the coming into effect of this Scheme, the Transferee Company shall, without any further application, act, deed or instrument, issue and allot to each equity shareholder of the Transferor Company holding equity Shares of the Transferor Company as on the Record Date or to his / her / its heirs, executors or, as the case may be, successors .447790 equity share of Re. 10/- (Rupee Ten) in the Transferee Company credited as fully paid-up (the "SDBL Shares") for each 1 (one) fully paid up equity share of Re. 10/- (Rupee Ten) each held by such equity shareholder in the Transferor Company on the Record Date. The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is hereinafter referred as "Share Exchange Ratio".

16 (b) The SDBL Shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall, inter-se, rank pari passu in all respect with the then existing equity shares of the Transferee Company, including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date:



- 16(c) For the purpose of issue of equity shares to the shareholders of the Transferor Company, the Transferee Company shall, if and to the extent required, apply for and obtain the required statutory approvals and other concerned regulatory authorities for the issue and allotment by the Transferee Company of the SDBL its Shares.
- 16(d) No shares shall be issued in respect of fractional entitlements, if any, by the transferee Company to the members of the transferor company at the time of issue and allotment of equity shares of Transferee Company. Cash payment shall be made for the fractional entitlement by the transferee company.
- 17(a) On coming into effect of this Scheme and as an integral part of the Scheme, the Authorised Share Capital of the Transferor Company shall stand transferred to and combined with the Authorised Share Capital of the Transferee Company and the Authorised Share Capital of the Transferee Company shall stand increased accordingly. The increase shall take effect without any further act, instrument or deed. The filing or registration fee and stamp duty already paid by the Transferor Company on its Authorised Share Capital shall be deemed to have been paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any additional or further filing or registration fee or stamp duty on the Authorised Share Capital so increased.
- 17(b) Pursuant to the provisions of sub-clause (a) above, on the coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall also stand altered accordingly, without any further act, instrument or deed.
- 17(c) It is clarified that no separate resolution under Section 16 and Section 94 of the Act shall be required to be passed by the Transferee Company separately in a general meeting for increase of the Authorised Share Capital of the Transferee Company and on the members of the Transferee Company approving this Scheme, it shall be deemed that they have approved the increase in the Authorised Share Capital in terms of Section 16 and Section 94 of the Act.
- 18(a) Any tax liabilities under the Income Tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Act, 1956, applicable State value-added tax laws or other applicable laws/regulations dealing with taxes/duties/levies (hereinafter in this Clause referred to as "Tax Laws") allocable or related to the business of the Transferor Company, to the extent not provided for or covered by tax provisions in the accounts of the Transferor Company, made as on the date immediately preceding the Appointed Date, shall be transferred to



the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source (TDS) as on the date immediately preceding the Appointed Date will also be transferred to the Transferee Company.

- 18(b) Any refund under the Tax Laws due to the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 18(c) The Transferee Company shall be entitled to tax benefits under Section 72A and Section 115JB or any other applicable provisions of the Income Tax Act, 1961 towards brought forward losses, unabsorbed depreciation and Minimum Alternate Tax of the Transferor Company against taxable profits of the Transferee Company with effect from the Appointed Date. The Transferee Company shall continue to enjoy all the tax benefits/ concessions provided to or enjoyed by the Transferor Company under applicable laws and regulations and under notifications and circulars issued there under.
- 18(d) The Transferee Company shall be entitled to revise its tax returns and related TDS returns/certificates and to claim refunds, advance tax credits, etc. and its right to make such revisions and to make such claims is expressly reserved.
- 19(a) With effect from the date of filing of this Scheme with the respective Hon'ble High Court(s) and up to and including the Effective Date, the Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders as on the respective record dates for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee Company prior to the Effective Date. On and from the date of filing this Scheme with the respective Hon'ble High Court and until the Effective Date, the Transferor Company shall declare a dividend only after prior consultation with the Transferee Company.
- 19(b) Until the coming into effect of this Scheme, the holders of shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including their right to receive dividend.
- 19(c) It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to



confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

20. Subject to provisions herein below, as the Transferee Company intends to adjust book values of assets and liabilities of the Transferor company when they are incorporated in the financial statements of the Transferee company, amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee company in accordance with 'Purchase Method' in compliance with the Accounting Standard 14 notified under the Provisions of the Act.

The assets and liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this Scheme shall be recorded at their existing carrying amounts.

The stamp duty payable if any in the State of Delhi and/or Madhya Pradesh, on this Scheme shall be prorata added to the value of the immovable properties of the transferor company (if any) vested in SDBL pursuant to this scheme.

PART IV

GENERAL TERMS AND CONDITIONS

21. Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up.
22. Upon the coming into effect of this Scheme the resolutions, if any, of the Transferor Company which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and the borrowing limits approved by the shareholders of the Transferor Company under Section 293(1)(d) of the Act and upper monetary or other limits imposed by resolutions passed under any other applicable provisions of the Act; shall be added to the limits, if any, imposed under like resolutions passed by the Transferee Company or, as the case may be, be deemed to be the borrowing or other limits of the Transferee Company and accordingly, such aggregate limits or, as the case may be, limits shall constitute the limits in the Transferee Company.



23 (a). The Transferor Company and the Transferee Company by their respective Boards of Directors or any Committees thereof or any Director authorised in that behalf (hereinafter referred to as the "Delegate") may assent to, or make, from time to time, any modifications or amendments or additions to this Scheme which the respective Hon'ble High Court(s) or any authorities under law may deem fit to approve of or which the respective Hon'ble High Court(s) or any authorities under law may impose and which the Transferor Company and the Transferee Company may in their discretion accept or such modifications or amendments or additions as the Transferor Company and the Transferee Company or as the case may be, their respective Delegate may consider necessary for the proper working of, or for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme and which may be approved by the respective Hon'ble High Court and the Transferor Company and the Transferee Company by their respective Boards of Directors or Delegates are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of any conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect. In the event that any conditions imposed by the respective Hon'ble High Court(s) or any authorities are found unacceptable by the Transferor Company or the Transferee Company for any reason, then the Transferor Company and the Transferee Company shall be at liberty to withdraw the Scheme. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by the Delegate of the respective Companies.

23(b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegates (acting jointly) of the Transferor Company and Transferee Company may give and are authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the Transferor Company) or to review the position relating to the satisfaction of any conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

24. In the event that any part or provision contained in this Scheme is incapable of being given effect to for any reason whatsoever, then such part or provision shall not affect the remaining parts or provisions of this Scheme and such part or



provision which is incapable of being given effect to shall be deemed to be deleted from the Scheme.

25. The Transferor Company and the Transferee Company shall with all reasonable despatch, make and file all applications and/or petitions under Sections 391 to 394 and other applicable provisions of the Act before the respective Hon'ble High Court for sanction of this Scheme and for the dissolution without winding up of the Transferor Company under the provisions of law, and shall apply for such approvals as may be required under law.
26. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Company.
27. The Transferor Company and the Transferee Company shall also apply for and obtain such consent.
28. This Scheme is conditional upon and subject to:
 - (i) The Scheme being agreed to by the requisite majority of the members and creditors of the Transferor Company and of the Transferee Company and by such other persons as may be required under the Act and as may be directed by the Hon'ble High Court of Delhi;
 - (ii) The Scheme being sanctioned by the Hon'ble High Courts, of Delhi/Jabalpur and requisite Orders being obtained.
 - (iii) The certified copies of the orders of the both the Hon'ble High Courts sanctioning this Scheme being filed by both the Transferor Company and the Transferee Company with Registrar of Companies, Delhi and Haryana and Registrar of Companies Madhya Pradesh.
29. In the event of this Scheme failing to take effect finally by 31st March 2015 or by such later date as may be agreed by the Board of Directors of the Transferor Company and the Board of Directors of the Transferee Company, this Scheme shall become null and void and be of no effect and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. In such case, each



Company shall bear its own costs, charges and expenses or as may be mutually agreed.

30. All costs, charges and expenses (including stamp duty, taxes and duties) of or payable by the Transferor Company and the Transferee Company in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.
31. The approval of members of the Transferee Company to the Scheme shall be obtained through a Special Resolution passed through Postal Ballot and e-Voting. The Special Resolution shall be acted upon only if the vote cast by the public shareholders in favour of the Scheme amount to at least two times the number of votes cast by public shareholders against the Scheme.

