

SCHEME OF AMALGAMATION

BETWEEN

EFFERCHEM PRIVATE LIMITED

(‘Transferor Company’)

AND

VIPUL ORGANICS LIMITED

(Formerly known as Vipul Dyechem Limited)

(‘Transferee Company’)

AND

THEIR RESPECTIVE SHAREHOLDERS

(Under Sections 230 to 232 of the Companies Act, 2013)

A. PREAMBLE:

This Scheme of Amalgamation ('the Scheme') is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, to the extent applicable for amalgamation of Efferchem Private Limited ('Transferor Company' or 'EPL') with Vipul Organics Limited (formerly known as Vipul Dyechem Limited ('Transferee Company' or 'VOL')).

B. INTRODUCTION

- (i) Vipul Organics Limited (formerly known as Vipul Dyechem Limited ('Transferee Company' or 'VOL')) is a company incorporated under the provisions of the Companies Act, 1956 having its registered office at 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai-400053. VOL is listed on the BSE Limited (BSE) and Ahmedabad Stock Exchange (ASE). VOL is engaged in the business of manufacturing and dealing in Pigment Powder, Pigment Dispersion, Leather Dyes, Naphthols, Fast color bases, Fast color salts & Dyes intermediates.
- (ii) Efferchem Private Limited ('Transferor Company' or 'EPL') is a company incorporated under the provisions of Part I of Chapter XXI of the Companies Act, 2013 by conversion of Zeon Chemical Industries LLP, a Limited Liability Partnership registered under Limited Liability Partnership Act, 2008, to take over the business of the LLP on going concern basis, and has its registered office at Plot No. A/14, M.I.D.C., A.M.P. Road, Ambarnath (West), Thane-421501. The EPL was incorporated on 24th October, 2016 with the object to manufacture, process, purchase, resale, export, import and commission agency of all types of Laboratory fine and heavy chemicals whether organic or inorganic and including dyes acid and intermediates and minerals and to refine, purify derivate, crystallize, process, dry and to carry out such other process or processes, activity or activities to carry out this objects.

C. OBJECTIVES OF THE SCHEME

The Company believes that the proposed amalgamation, *inter alia*, will result into following benefits:

- (i) The consolidation of operations of both the companies by way of amalgamation would lead to a more efficient utilization of capital and will result in administrative and operational rationalization and promote organizational efficiencies;

- (ii) The amalgamation would result in greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholders value, and will improve the competitive position of the combined entity;
- (iii) The amalgamation would result in greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities, to maximize shareholders value;
- (iv) For the purpose of better, efficient and economical management, control and running of the business of the undertaking concerned and/or administrative convenience and to obtain advantages of economies of scale and to pool the resources for growth and development of the businesses of the companies; and
- (v) With the amalgamation of two Companies, the Transferee Company would have the complete access on the Industrial Land, as well as readily available utilities, liasoning, etc. and this will help the Transferee Company to initiate expansion promptly without any gestation period.

D. PARTS OF THE SCHEME

The scheme is divided into the following parts:

- 1. Part I** – deals with Definitions, Interpretations and Share Capital
- 2. Part II** – deals with amalgamation of Efferchem Private Limited ('Transferor Company' or 'EPL') with Vipul Organics Limited (formerly known as Vipul Dyechem Limited ('Transferee Company' or 'VOL'));
- 3. Part III** – deals with General Terms and Conditions

PART I

1. DEFINITIONS, INTERPRETATIONS AND SHARECAPITAL

1.1 DEFINITIONS

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

- 1.1.1 **“Act” or “the Act”** means the Companies Act, 2013, as the case may be and rules made there under and shall include any statutory modifications, reenactment or amendments thereof for the time being in force;
- 1.1.2 **“Appointed Date”** means 1st April, 2017 or such other date as may be fixed by the National Company Law Tribunal (NCLT);
- 1.1.3 **“Board of Directors” or “Board”** means the Board of Directors of VOL and EPL, as the case may be or any committee thereof duly constituted or any other person duly authorized by the Board for the purpose of this Scheme;
- 1.1.4 **“Court” or “High Court”** means the Hon’ble High Court of Judicature at Mumbai;
- 1.1.5 **“Effective Date”** means the date when the certified copy of the order of the NCLT sanctioning the present Scheme of Amalgamation is filed with the Registrar of Companies, Maharashtra at Mumbai by the transferor and transferee companies;
- 1.1.6 **“EPL” or “Transferor Company”** means Efferchem Private Limited (CIN U24304MH2016PTC287079), a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at Plot No. A/14, M.I.D.C., A.M.P. Road, Ambernath (West), Thane-421501;
- 1.1.7 **“Record Date”** means the date to be fixed by the Board of Directors of the Transferee Company for determining names of the equity shareholders of the Transferor company, who shall be entitled to Equity Shares of the Transferee Company;
- 1.1.8 **“Tribunal” or “NCLT”** means the National Company Law Tribunal, having jurisdiction at Mumbai;

1.1.9 **“Undertaking”** shall mean and include the whole of undertaking of the Transferor Company, as a going concern, including its business, all secured and unsecured debts, liabilities, duties and obligations and all assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress, vehicles, other fixed assets, trademarks, brands, investments, copyrights, literatures, advances paid to any parties, loans, advances, inventory and work in progress, leases, licenses, tenancy rights, premises, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipments, installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, easements, and all the rights, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, 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, sales tax, value added tax, turnover tax, service tax, etc.), software license, domain / website 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 Appointed Date;

1.1.10 **“VOL” or “Transferee Company”** means Vipul Organics Limited (formerly known as Vipul Dyechem Limited) (CIN L24110MH1972PLC015857), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai-400053;

1.1.11 **“Scheme” or “this Scheme” or “the Scheme” or “Scheme of Amalgamation Arrangement”** means this Scheme of Amalgamation in its present form as submitted to the NCLT, with such modification(s), if any, as may be approved or imposed or directed by the NCLT or other competent authority;

1.2 Any references in this Scheme to “upon this Scheme becoming effective” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” shall mean the Effective Date.

1.3 The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning described to them under the Act and / or other applicable laws, rules, regulations, byelaws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

1.4 DATE OF TAKING EFFECT AND OPERATIVE DATE

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

1.5 SHARE CAPITAL

1.5.1 The authorised, issued, subscribed and paidup capital of VOL as on 31st March, 2017 is as under:

Share Capital	Amount (Rs.)
Authorized Share Capital: 1,00,00,000 number of Equity Shares of Rs. 10/- each	10,00,00,000
Issued, subscribed and paid up Share Capital: 62,64,500 number of Equity Shares of Rs. 10/- each fully paid up	6,26,45,000

The Transferee Company has issued and allotted 22,50,000 (Twenty Two Lacs Fifty Thousand) convertible warrants at a price of Rs. 40/- (Rupees Forty) per warrant ("Transferee Company Warrants"), convertible into equal number of equity shares of Rs. 10/- each of the Transferee Company within a period of 18 months from their issue i.e. by 5th January, 2018. As on 31st March, 2017, out of total 22,50,000 Warrants, 14,60,000 Warrants are outstanding for conversion. The exercise of Warrants by the holders thereof would result in an increase in the issued, subscribed and paid up equity share capital of the Transferee Company.

As on the date of the Scheme being approved by the Board of Directors of the Transferee Company, there has been no change in the issued, subscribed and paid up share capital.

1.5.2 The authorized, issued, subscribed and paidup capital of EPL as on 31st March, 2017 i.e. on the date of Board meeting sanctioning the Scheme is as under:

Share Capital	Amount (Rs.)
Authorized Share Capital: 50,000 number of Equity Shares of Rs. 10/- each	5,00,000
Issued, subscribed and paid up Share capital: 50,000 number of Equity Shares of Rs. 10/- each fully paid up	5,00,000

As on the date of the Scheme being approved by the Board of Directors of the Transferor Company, there has been no change in the issued, subscribed and paid up share capital.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY

2. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY

- 2.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the whole of the undertaking of the Transferor Company, including its business, all secured and unsecured debts, liabilities, duties and obligations and all assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress, vehicles, other fixed assets, trademarks, brands, investments, copyrights, literatures, advances paid to any parties, loans, advances, inventory and work in progress, leases, licenses, tenancy rights, premises, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipments, installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, easements, and all the rights, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, 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, sales tax, value added tax, turnover tax, service tax, etc.), software license, domain / website 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, shall be transferred to and vest in the Transferee Company so as to become on and from the Appointed Date the undertaking of the Transferee Company without any further act, instrument or deed.
- 2.2 Without prejudice to the generality of clause 2.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (i) Assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to 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 Sections 230 to 232 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 have been transferred to and vested in the Transferee

Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act.

- (ii) Upon the Scheme becoming effective and with effect from the Appointed Date, all the Assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash on hand, CDs, contents whether stored in any form or media, the same shall stand vested in the Transferee Company, and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly.
- (iii) In respect of movables other than those dealt with in clause (ii) above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, advances paid to any parties for acquisition of development rights, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date shall stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

2.3 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to the Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and businesses of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations (the "Liabilities"), shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing. It is clarified that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities

and obligations incurred by the Transferee Company by virtue of this Scheme.

- 2.4 Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 2.5 All loans raised or used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferor Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the undertaking of the Transferor Company would vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.
- 2.6 The transfer and vesting of the assets to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secures or relate to the Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such encumbrances shall not relate or attach to any of the other assets of the Transferor Company. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- 2.7 Provided that any reference in any security documents or arrangements (to which the Transferor Company is a party) to any Assets of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security. Similarly, the Transferee Company shall not be required to create any additional security over Assets of the Transferor Company vested in the Transferee Company under this Scheme for any loans, debentures, deposits or other financial assistance already availed by the Transferee Company and/or committed to be availed by the Transferee Company prior to the Effective Date and the charges, mortgages, and/ or encumbrances in respect thereof shall not extend or be deemed to extend or apply to the Assets of the Transferor Company, as the case may be, vested in the Transferee Company under this Scheme.

- 2.8 Without prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required.
- 2.9 Pursuant to the Scheme becoming effective, the Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 2.10 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, MAT credits, unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, excise, customs, VAT, sales tax, service tax etc. to which the Transferor Company is entitled to shall be available to and vest in the Transferee Company.
- 2.11 All taxes, duties, cess payable by the Transferor Company including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company.
- 2.12 Without prejudice to the above provisions, with effect from the Appointed Date, all interparty transactions between the Transferor Company and the Transferee Company shall be considered as intraparty transactions for all purposes from the Appointed Date.
- 2.13 All the licenses, permits, quotas, approvals (including, but not limited to, environmental, statutory and regulatory approvals and consents), permissions, registrations, incentives, tax deferrals, brought forward business losses, unabsorbed depreciation and benefits, subsidies, concessions, grants, rights, including for the operations of bank accounts, power of attorneys, claims, leases, tenancy rights, liberties, special status and other benefits or privileges 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 after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, 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 so as to become as and from the

Appointed Date. Licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company shall remain valid, effective and enforceable on the same terms and conditions.

- 2.14 With effect from the Appointed Date, all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall remain in full force and effect against or in favour of 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 beneficiary or obligee thereto. Upon coming into effect of the Scheme, the past track record of the Transferor Company including without limitation, the turnover, the profitability, performance and market share shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes.
- 2.15 The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

3. LEGAL PROCEEDINGS

- 3.1 Upon the coming into effect of this Scheme, all suits, appeal or other proceedings of whatever nature by or against the Transferor Company is pending on or before the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this amalgamation or by anything contained in this Scheme, but the said suits, appeals or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.
- 3.2 On and from the Effective Date, the Transferee Company shall have all legal proceedings initiated by or against the Transferor Company as referred herein above transferred to and have continued, prosecuted and enforced by or against the Transferee Company.

4. CONTRACTS, DEEDS OTHER INSTRUMENTS

- 4.1 Upon coming into effect of this Scheme and subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favor of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations or enter into any tripartite arrangements, on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company, to give effect to the provisions of this Scheme.
- 4.2 As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Transferor Company to the Transferee Company, whether pertaining to any license, permit, approval or any other matter, 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 other authority.
- 4.3 The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party.
- 4.4 For 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 other instrument or beneficial interest to which the Transferor Company is 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.

5. STAFF, WORKMEN AND EMPLOYEES

- 5.1 Upon the Scheme becoming effective, all permanent staff, workmen and employees on the payrolls of the Transferor Company, in service on the Effective Date shall be deemed to have become staff, workmen, and employees of the Transferee Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favorable than those subsisting with reference to the Transferor Company as on the said date.

- 5.2 As of the date of filing of this Scheme, the Transferor Company shall make contributions to the provident fund account whether maintained through government or through trust and / or other funds in relation to all its staff, workmen and employees. The Transferee Company shall subsequent to the Effective Date make appropriate contributions towards such provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme through the existing trusts/fund of the Transferor Company or consolidate the trusts/funds with that of the existing trusts/funds of the Transferee Company or the trust/fund of the Transferor Company shall become the trust/fund of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such funds or trusts or in relation to the obligation to make contributions to the said funds or trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds or other documents, if any.
- 5.3 It is clarified that the services of all transferred staff, workmen and employees of the Transferor Company to the Transferee Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Transferor Company shall also be taken into account by the Transferee Company, who shall pay the same if and when payable.

6. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

- 6.1 With effect from the Appointed Date and upto the Effective Date:
- (a) The Transferor Company shall carry on, and be deemed to have carried on its business, operations or activities, and shall be deemed to have held and stood possessed of the entire business and undertaking of the Transferor Company, including but not limited to the assets, properties, liabilities of the undertaking of the Transferor Company on behalf of and / or in trust for the Transferee Company;
 - (b) All profits or income accruing or arising to the Transferor Company, or losses arising or expenditure incurred by the Transferor Company, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of the Transferee Company;
 - (c) It is clarified that all taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, entertainment duty, 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, VAT, entertainment duty, 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 its 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) With effect from the date of the Board meeting of the Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Company shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall not, without the prior consent in writing of any of the persons authorities by the Board of Directors of the Transferee Company, undertake any additional financial commitment of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with its assets (including intangible rights) or any part thereof, except in the ordinary course of business, or pursuant to any preexisting obligation(s) undertaken by the Transferor Company;
- (e) Any of the rights, powers, authorities and privileges attached or related or pertaining to and 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 attached, related or pertaining to the undertaking of the Transferor Company, 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;
- (f) The Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into any new business, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business, or vary the terms and conditions of employment of any of their employees and shall not undertake any additional commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letter of comfort or commitments either for itself or any third part, except if the same is in ordinary course of business or if written consent of the Transferee Company as obtained; With effect from the date of the Board meeting of the Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Company shall not, except in the ordinary course of business, without the prior consent of the Board of Directors of the Transferee Company, undertake (i) any material decision in relation to their business and affairs and operations (ii) any agreement or transaction; (iii) any new business, or discontinue any existing business or enter into any contract or arrangement which would significantly impact the business;

(g) With effect from the date of Board meeting of the Transferee Company approving the Scheme and upto and including the Record Date, the Transferor Company shall not, except by way of any obligation already subsisting as on the date of approval of this Scheme by the Board of Directors of the Transferee Company, without the prior written consent of the Board of Directors of the Transferor Company and the Transferee Company, make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares or otherwise) decrease, reduction, reclassification, subdivision or consolidation, reorganisation, or in any other manner;

(h) All assets howsoever acquired by the Transferor Company for carrying on its business, operations or activities and the liabilities relating thereto shall be deemed to have been acquired and are also contracted for and on behalf of the Transferee Company.

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

7. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties, liabilities or Business(s) and the continuance of proceedings by or against the Transferor Company shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds things done and executed by the Transferor Company, in regard thereto as done and executed by the Transferee Company on behalf of itself.

8. CONSIDERATION FOR AMALGAMATION

8.1 The Transferee Company shall, without further application, act or deed, issue and allot to each of the Shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his/ her/ its legal heirs, executors, administrators or successors), equity shares in the Transferee Company credited as fully paid up in the ratio of 73 equity shares of Rs. 10/- each in the Transferee Company for every 2 equity share of Rs. 10/- each held as fully paid up in the Transferor Company ("Share Exchange Ratio"). If any of the shareholders of the

Transferor Company becomes entitled to receive fraction of such an Equity Share in the capital of the Transferee Company, such fraction shall be rounded off to the nearest integer.

- 8.2 No fractional certificates shall be issued by VOL in respect of the fractional entitlement, if any, to which the equity shareholders of Transferor Company may be entitled on issue and allotment of equity shares of VOL as aforesaid. The Board of Directors of VOL shall, in their absolute discretion, consolidate all such fractional entitlements and accordingly will be paid off in respective fractional entitlement to the shareholders of Transferor Company.
- 8.3 In the event of any increase in the issued, subscribed or paid up share capital of Transferor Company or the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of their respective equity share capital including by way of share split/ consolidation/ issue of bonus shares, freedistribution of shares or instruments convertible into equity or other similar action in to the share capital Transferor Company or the Transferee Company at any time before the Record Date, the Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instrument convertible into equity shares.
- 8.4 The equity shares in the Transferee Company to be issued to the shareholders of the Transferor Company (herein "New Equity Shares") shall rank *paripassu* in all respect, with the than existing equity shares in the Transferee Company and shall be subject to the Memorandum and Articles of Association of the Transferee Company.
- 8.5 The New Equity Shares to be allotted shall, subject to applicable laws, be listed and admitted to trading on the BSE Ltd. Upon the new equity shares being allotted to the shareholders of the Transferor Company, the shares held by them in the Transferor Company shall be deemed to have been automatically cancelled.
- 8.6 Approval to the Scheme by members of the Transferee Company pursuant to Section 230 and Section 232 of the Act shall constitute consent required under any other provision of the Act for implementing any other provisions of the Scheme.

9. DISSOLUTION WITHOUT WINDING UP

Upon this Scheme becoming effective, the Transferor Company shall be dissolved without winding up pursuant to the provisions of Section 232 of the Act.

10. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of the Scheme, the resolutions of the Transferor Company as a reconsidered necessary by the Board of Directors of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company.

11. ACCOUNTING TREATMENT

- 11.1 The amalgamation shall be accounted for in the books of account of the Transferee Company according to the pooling of interests method prescribed under Appendix C – ‘Business combinations of entities under common control’ to Indian Accounting Standard (Ind AS) 103-Business Combinations (referred to as Ind AS 103) which are prescribed under section 133 of the Act. The Transferee Company shall credit to its equity share capital account, the face value of equity shares issued as per Clause 8.1 of this Scheme.
- 11.2 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the same will be harmonized and impact of the same will be given in accordance with Ind AS 103.

Part III

General Terms and Conditions

12. COMBINATION OF AUTHORISED SHARE CAPITAL

12.1 Upon the Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the Registrar of Companies. The authorized share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Registrar of Companies, and no separate procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.

12.2 Accordingly, the existing Capital Clause V contained in the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Section 13 and 61 of the Companies Act, 2013 and replaced by the following:

V. The Authorised Share Capital of the Company is Rs. 10,05,00,000 (Rupees Ten Crore Five Lakhs) divided into 1,00,50,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each with a power to classify or reclassify, increase or reduce such capital from time to time and power to divide the shares in the capital for the time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power to divide the share capital for the time being into several classes and to attach thereto respectively preferential, qualified or special rights, privileges or conditions including as to voting and to vary, modify, or abrogate the same in such manner as may be permitted by the Act or as may for time to time being be provided for by these presents and the Articles of Association of the Company.

12.3 However, it is clarified that in the event that the companies restructure or increase their authorized share capital by way of share split / consolidation / issue of bonus share / conversion of warrants into equity shares during the pendency of the Scheme, the clause of Memorandum and Articles of the Transferee Company shall be amended accordingly to take into account the effect of any such corporate actions.

12.4 It is further clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to their consent / approval also to the consequential alteration of the Memorandum of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders of such alteration of the Memorandum and Articles of Association of the Transferee Company as required under Sections 13, 61 and 64 or other applicable provisions of the Companies Act, 2013.

13. CONDITIONS TO EFFECTIVENESS OF THE SCHEME:

13.1 The Scheme is conditional upon and subject to:

- (a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and the Transferee Company as may be directed by National Company Law Tribunal under Sections 230 to 232 of the Act;
- (b) The Scheme being approved by the shareholders of the Transferee Company through resolution passed in terms of Para 9(a) and (b) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017, as may be amended from time to time, provided that the same shall be acted upon only if the votes cast by public shareholders in favour of the Scheme are more than the votes cast by the public shareholders against it;
- (c) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, including Stock Exchange(s) and/or Securities and Exchange Board of India, which by law may be necessary for the implementation of this scheme;
- (d) The Scheme being sanctioned by the National Company Law Tribunal Section 230 to 232 of the Act; and
- (e) Certified or authenticated copy of the Order of the National Company Law Tribunal sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai, by the Transferor Company and Transferee Company.

14. DIVIDEND

14.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

14.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and the Transferee Company to demand or claim any dividends which, subject to the provisions of the Companies Act, 2013, as applicable, shall be entirely at the discretion of the respective Board of Directors of the Transferor Company or the Transferee Company and subject to the approval, if required, of the respective members of the companies.

15. APPLICATIONS

The Transferor Company and the Transferee Company shall make necessary applications before the National Company Law Tribunal for the sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, as applicable, seeking orders for dispensing with or convening, holding and / or conducting of the meetings of the classes of their respective shareholders / creditors and for sanctioning this Scheme.

16. MODIFICATION TO THE SCHEME

16.1 The Transferor Company and the Transferee Company (by their respective Board of Directors) may, in their full and absolute discretion, jointly and as mutually agreed in writing:

- (a) assent to any alteration(s) or modification(s) to this Scheme which a National Company Law Tribunal and /or any other Governmental Authority may deem it to approve or impose, and / or effect any other modification or amendment jointly and mutually agreed in writing, including without limitation, any modifications to the accounting treatment set out in the Scheme due to the Indian Accounting Standards being made applicable to the Transferor Company and / or the Transferee Company or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purpose of this Scheme;
- (b) give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to any of those (to the extent permissible under law);
- (c) modify or vary this Scheme prior to the Effective Date in any manner at any time;
- (d) if any part of this Scheme is found to be unworkable for any reasons whatsoever withdraw this Scheme prior to the Effective Date in any manner at any time; or
- (e) determine jointly whether any asset, liability, employee, legal or other proceedings pertain to the Transferor Company or not, on the basis of any evidence that they may deem relevant for this purpose.

17. WHEN THE SCHEME COMES INTO OPERATION

17.1 The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date.

17.2 For the purpose of giving effect to the order of the National Company Law Tribunal under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as applicable, approving the scheme, the Transferee Company shall at any time pursuant to such order be entitled to get the records of the change in the legal right(s) upon the amalgamation of the Transferor Company in accordance with the provisions of the Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions

as may be applicable. The Transferee Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc. as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

- 17.3 The Transferor Company and the Transferee Company shall be entitled to, amongst other, file/or revise its income tax returns, TDS/TCS returns, wealth tax returns, service tax, professional tax or any other statutory returns, if required. The Transferee Company shall be entitled to claim credit for advance tax paid, tax deducted at source or tax collected at source, claim for deduction of sum prescribed under Section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written back by Transferee Company previously disallowed in the hands of Transferor Company under the Income Tax Act, credit of tax under Section 115JB read with the Section 115JAA of the Income Tax Act, etc., if any pertaining to the Transferor Company as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. The Transferee Company shall have the rights to claim refunds, tax credits, set-offs and / or adjustments relating to its income or transactions entered into by it with effect from Appointed Date. The taxes or duties paid by, for on behalf of, the Transferor Company relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit or refund for such taxes or duties.

18. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.

19. COSTS

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) in relation to or in connection with the scheme and incidental to the completion of the Amalgamation in pursuance of the Scheme shall be borne by the Transferee Company.

20. RESIDUAL PROVISIONS

In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights or liabilities whatsoever shall accrue to or be incurred *inter se* by the parties or their shareholders or employees or any other person.