



July 09, 2016

To,
The Manager,
Listing Department,
National Stock Exchange of India Ltd.
"Exchange Plaza", C-1, Block G,
Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051.

To,
Department of Corporate Services
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Ref. : (i) Symbol – DISHMAN
(ii) Series – EQ

Ref. : Scrip Code No. : 532526

SUB.: SUBMISSION OF NOTICE OF COURT CONVENED MEETING OF EQUITY SHAREHOLDERS AND CREDITORS (SECURED AND UN-SECURED) FOR SCHEME OF ARRANGEMENT AND AMALGAMATION - REGULATION 30

Dear Sir,

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 we hereby submit Notice of Court Convened meeting of Equity Shareholders, Secured Creditors and Un-Secured Creditors of the Company dated 7th July, 2016 pursuant to Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 and other relevant provisions of Companies Act, 1956 and Companies Act, 2013 for Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited to be held on Friday, 5th August, 2016 at 10:00 a.m., 10:30 a.m. and 11:00 a.m. respectively at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat.

Please note that, we have simultaneously sent the Notice of Court Convened meeting of Equity Shareholders to all the Registered Members of the Company as on 30th June, 2016; as well as to the Secured and Unsecured Creditors.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 amended as Companies (Management and Administration) Amendment Rules, 2015 read with Regulation 44 of SEBI (LODR) Regulations, 2015, the shareholders of the Company are being provided the facility to exercise their right to vote at the Court Convened meeting by electronic means provided by CDSL - Central Depository Services (India) Limited. The remote e-Voting period commences on Tuesday, 2nd August, 2016 at 09:00 A.M. IST and ends on Thursday, 4th August, 2016 at 5.00 P.M. IST., shareholders holding shares either in physical form or in dematerialised mode as on Friday, 29th July, 2016 (cut-off date) may cast their vote electronically.

Dishman Pharmaceuticals and Chemicals Limited

Registered Office: Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad – 380 009 India.

Tel: +91 (0) 79 26443053 / 26445807 Fax: +91 (0) 79 26420198

Email: dishman@dishmangroup.com Web: www.dishmangroup.com

Government Recognised Export House

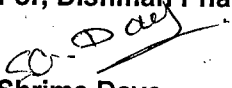
CIN NO L24230GJ1983PLC006329



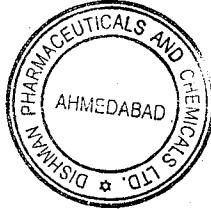
Kindly take this on your record.

Thanking you.

Yours faithfully,
For, Dishman Pharmaceuticals and Chemicals Limited


Shrima Dave
Compliance Officer

Encl.: As above



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Dishman Pharmaceuticals and Chemicals Limited

CIN : L24230GJ1983PLC006329

Regd. Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009, Gujarat

Tel. No.: 91-79 26443053, 26445807, **Fax No.:** 91-79-26420198

Email: grievance@dishmangroup.com **Website:** www.dishmangroup.com

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

Day	Friday
Date	05th August, 2016
Time	10:00 a.m.
Venue	Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat

INDEX OF CONTENTS

Sr. No.	Contents	Page Nos.
1.	Notice for Court Convened Meeting of Equity Shareholders of Dishman Pharmaceuticals and Chemicals Limited ("the Company")	3
2.	Explanatory Statement pursuant to Section 393 of the Companies Act, 1956	5
3.	Scheme of Arrangement and Amalgamation under Sections 391 to 394 read with Section 100 and other relevant provisions of Companies Act, 1956 and Companies Act, 2013 amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited, Dishman Care Limited and their respective shareholders & creditors.	12
4.	Copy of Fairness Opinion dated February 23, 2016 obtained from M/s. Centrum Capital Limited, Merchant Bankers	33
5.	Copy of Complaints Report dated April 8, 2016 submitted by the Company to BSE and NSE and also uploaded on the Company Website	39
6.	Copy of Observation Letter dated May 12, 2016 received from BSE Limited ('BSE') conveying no objection for filing the Scheme with the Gujarat High Court	41
7.	Copy of Observation Letter dated May 12, 2016 received from National Stock Exchange of India Limited ('NSE') conveying no objection for filing the Scheme with the Gujarat High Court	42
8.	Instruction for E-Voting	44
9.	Form of Proxy	45
10.	Attendance Slip	47

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Dishman Pharmaceuticals and Chemicals Limited

CIN : L24230GJ1983PLC006329

Regd. Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009, Gujarat

Tel. No.: 91-79-26443053, 26445807, Fax No.: 91-79-26420198

Email: grievance@dishmangroup.com Website: www.dishmangroup.com

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 279 OF 2016**

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 and other relevant provisions of Companies Act, 1956 and Companies Act, 2013;

And

In the matter of the Scheme of Arrangement and Amalgamation amongst:

Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited;

Dishman Pharmaceuticals and Chemicals Limited,

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat.

.... Applicant Company

APPLICANT'S NOTICE FOR CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

To,

The Equity Shareholders of Dishman Pharmaceuticals and Chemicals Ltd.

TAKE NOTICE that by an order made on 27/06/2016, the Hon'ble High Court of Gujarat has directed that a meeting of the Equity Shareholders of the Applicant Company be held at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat, on Friday, the 5th day of August, 2016, at 10:00 a.m., for the purpose of considering and if thought fit, approving with or without modification, the Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited.

TAKE FURTHER NOTICE THAT in pursuance of the said order, a meeting of the Equity Shareholders of the Applicant Company will be held at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat, on Friday, the 5th day of August, 2016, at 10:00 a.m., when you are requested to attend.

TAKE FURTHER NOTICE THAT you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form duly signed by you is deposited at the registered office of the Applicant Company at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad-380009, Gujarat, not later than 48 hours before the meeting.

The Court has appointed Shri Janmejy R. Vyas, and failing him, Shri Arpit J. Vyas, to be the chairman of the said meeting. The abovementioned arrangement, if approved by the meeting, will be subject to the subsequent approval of the Hon'ble High Court of Gujarat.

The following are enclosed herewith:

- a) Scheme of Arrangement and Amalgamation
- b) Explanatory statement under section 393
- c) Fairness Opinion
- d) Complaints Report filed with the Stock Exchanges
- e) Observation Letters of BSE Ltd and National Stock Exchange of India Ltd.
- f) Form of proxy
- g) Attendance Slip
- h) Instructions for e-voting.

Dated this 7th day of July, 2016.

Mr. Janmejy R. Vyas
Chairman appointed for the meeting

Registered Office:

Bhadr-Raj Chambers, Swastik Cross Roads,
Navrangpura, Ahmedabad – 380 009.

Enclosed: as above

Note:

- (1) All alterations made in the form of the proxy should be initialled.
- (2) Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the Equity Shareholders' meeting. The authorised representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
- (3) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE APPLICANT COMPANY. The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Applicant Company not less than 48 hours before the meeting.
- (4) A registered equity shareholder or his Proxy is requested to bring copy of the notice to the meeting and produce at the entrance of the meeting venue, the attendance slip duly completed and signed.
- (5) Members who hold shares in dematerialized form are requested to bring their client ID and DP ID number for easy identification of attendance at the meeting.
- (6) Members are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
- (7) Physical copy of the Notice of the Court Convened meeting of Shareholders of the Company along with necessary enclosures is being sent to all the shareholders whose name appears in the prelist furnished by NSDL and CDSL as Beneficial Owner as on 30th June, 2016 in the permitted mode.
- (8) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner as on the cut-off date **i.e. Friday, 29th July, 2016.**

(9) E-Voting

In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended and regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide the e-voting facility through Central Depository Services Limited (CDSL) to its Members holding shares in physical or dematerialized form, as on the cut-off date to exercise their right to vote by electronic means on business specified in the accompanying Notice (the "Remote e-voting"). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility and a member may avail the facility at his / her discretion, subject to compliance with the instructions for Remote e-voting.

In case of Members who are entitled to vote, amongst members present in person at the meeting, but have not exercised their right to vote by electronic means, the Chairman of the Company shall allow voting in terms of Rule 20 (4) (xi) of the said Rules for the business specified in the accompanying Notice. For abundant clarity, please note that the Members who have exercised their right to vote by electronic means shall not be eligible to cast their vote at the Meeting.

The information with respect to Voting Process and other instructions regarding Remote e-voting are detailed hereinafter under "Instruction for e-voting".

- (10) The e-voting period commence on, **Tuesday, 2nd August, 2016 at 9:00 a.m.** and ends on **Thursday, 4th August, 2016 at 5:00 p.m.** During this period, shareholders holding shares either in physical form or in dematerialised mode as on **Friday, 29th July, 2016 (cut-off date)** may cast their vote electronically. The e-voting module will be disabled by CDSL for voting thereafter. Once the vote on resolution is casted by the shareholder, he shall not be allowed to change it subsequently.
- (11) Mr. Ashok P. Pathak, Practicing Company Secretary (Membership No. ACS 9939) of M/s. Ashok P. Pathak & Co., Ahmedabad, has been appointed as the Scrutinizer to scrutinize the Remote e-voting process in a fair and transparent manner.
- (12) Contact details of the person for any queries/grievances connected with the voting by electronic means, if any:

The Asst. Company Secretary, Dishman Pharmaceuticals and Chemicals Ltd., Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad – 380009. Tel. No.079-26443053/5807, Email: grievance@dishmangroup.com.

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORDINARY ORIGINAL JURISDICTION

COMPANY APPLICATION NO. 279 OF 2016

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 and other relevant provisions of Companies Act, 1956 and Companies Act, 2013;

And

In the matter of the Scheme of Arrangement and Amalgamation amongst:

Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited;

Dishman Pharmaceuticals and Chemicals Limited,

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat.

.... Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 TO THE NOTICE OF THE COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY, FOR CONSIDERING AND APPROVING SCHEME OF AMALGAMATION AND ARRANGEMENT AMONGST DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED; CARBOGEN AMCIS (INDIA) LIMITED AND DISHMAN CARE LIMITED

1. This is a statement accompanying the Notice convening the meeting of the Equity Shareholders of the Applicant Company, to be held at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015, Gujarat, on Friday, the 5th day of August, 2016, at 10:00 a.m., pursuant to Order dated June 27, 2016 passed by the Hon'ble High Court of Gujarat at Ahmedabad, for the purpose of considering, and if thought fit, approving, with or without modifications, the Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited ("**Applicant Company**" or "**DPCL**"); Carbogen Amcis (India) Limited ("**CAIL**") and Dishman Care Limited ("**DCL**"). The definitions contained in the Scheme shall also apply to this Explanatory Statement.

2. A copy of the Scheme setting out in detail, the terms and conditions of the Arrangement and Amalgamation, *inter alia*, providing for Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited; which has been duly approved by the Board of Directors of the Applicant Company, CAIL and DCL at their respective meetings held on 24th day of February 2016, is attached to this Explanatory Statement.

3. The resolution to be passed at the said meeting will read as follows:

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and enabling provisions in the Company's Memorandum of Association and Articles of Association and subject to the sanction of the High Court of Judicature at Gujarat at Ahmedabad and other regulatory authorities, if any, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Company, the proposed Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited ('the Scheme' or 'this Scheme'), placed before this meeting, be and is hereby approved;

RESOLVED FURTHER THAT Mr. Janmejy R. Vyas, Chairman & Managing Director, Mr. Arpit J. Vyas, Managing Director & Chief Financial Officer and Mr. Harshil Dalal, Sr. Vice President, Finance & Accounts, be and are hereby severally authorized to do all such acts, deeds and things as are considered requisite or necessary to effectively implement the Scheme and to accept such modification(s) and / or condition(s), if any, which may be required and / or imposed by the Hon'ble High Court of Judicature at Gujarat at Ahmedabad while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out the Scheme."

4. **BACKGROUND OF THE COMPANIES:**

4.1. Dishman Pharmaceuticals and Chemicals Limited (DPCL)

- (a) DPCL was incorporated on 29th June, 1983 under the provisions of Companies Act, 1956 (hereinafter referred to as "the Act"), having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat. The equity shares of DPCL are listed on National Stock Exchange of India Ltd. ("NSE") and BSE Ltd. ("BSE") (collectively, the "Stock Exchanges").
- (b) It is engaged in Contract Research and Manufacturing Services and manufacture and supply of marketable molecules such as specialty chemicals, vitamins & chemicals and disinfectants.

- (c) The Authorised, Issued, Subscribed and Paid up Share Capital of DPCL as on 31st May, 2016 is as under:

Share Capital	Amount (in Rs.)
Authorized	
16,50,00,000 Equity shares of Rs.2/- each	33,00,00,000
TOTAL	33,00,00,000
Issued, subscribed and paid-up	
16,13,94,272 Equity shares of Rs. 2/- each	32,27,88,544
TOTAL	32,27,88,544

There is no change in the share capital of DPCL since 31st May, 2016.

4.2 Dishman Care Limited (DCL)

- (a) DCL was incorporated on 19th March, 2010 under the provisions of the Act. DCL is an unlisted public limited company and its registered office is situated at 516, 5th Floor, Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat. The entire equity share capital of DCL is held by DPCL and its nominees.
- (b) It is engaged in market research, business development and marketing of disinfectant products to be manufactured by DPCL.
- (c) The Authorised, Issued, Subscribed and Paid up Share Capital of DCL as on 31st May, 2016 is as under:

Share Capital	Amount (in Rs.)
Authorized	
2,50,000 Equity Shares of Rs.2/- each	5,00,000
TOTAL	5,00,000
Issued, subscribed and paid-up	
2,50,000 Equity shares of Rs.2/- each	5,00,000
TOTAL	5,00,000

There is no change in the share capital of DCL since 31st May, 2016.

4.3 Carbogen Amcis (India) Limited (CAIL)

- (a) CAIL was incorporated on 17th July, 2007 under the provisions of the Act, having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380009. CAIL is an unlisted public limited company and its entire equity share capital is held by DPCL and its nominees.
- (b) It is engaged in research and development, including regulatory filings, of certain pharmaceutical molecules for some of the overseas subsidiaries of DPCL.
- (c) The Authorised, Issued, Subscribed and Paid up Share Capital of CAIL as on 31st May, 2016 was as under:

Share Capital	Amount (in Rs.)
Authorized	
50,00,000 Equity shares of Rs.2/- each	1,00,00,000
TOTAL	1,00,00,000
Issued, subscribed and paid-up	
2,50,000 Equity shares of Rs.2/- each	5,00,000
TOTAL	5,00,000

There is no change in the share capital of CAIL since 31st May, 2016.

5. RATIONALE OF THE SCHEME

- (i) Consolidation of the business and simplification of the group structure. Further, the amalgamation will provide a high level of synergistic integration of operations and better operational management.
- (ii) Through the "One Company, Two Brands" strategy, the group has been delivering complex solutions suiting the diverse needs of the global customers. The proposed Scheme re-emphasises the strategy of "One Company, Two Brands" with both "Dishman" and "Carbogen Amcis" brands being reflected in the trade name of one company.
- (iii) Synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements (as all assets, tangible and intangible, including those not recorded in the books of the amalgamating company, and liabilities of the amalgamating company shall be taken over by the amalgamated company and recorded at their respective fair values), and lead to improved alignment of debt and enhancement in earnings and cash flow.
- (iv) The amalgamated company would be able to better leverage on its large net worth base and have enhanced business potential and increased capability to offer a wider portfolio of products and services with a diversified resource base and deeper client relationships.
- (v) It would result in financial resources being efficiently merged and pooled leading to more effective and centralised management of funds, greater economies of scale, stronger base for future growth and reduction of administrative overheads (i.e. cost rationalization), which are presently being divided and dissipated between multiple separate entities. The amalgamation shall lead to greater efficiency in management of the businesses, simplicity and reduction in regulatory compliances and cost.

- (vi) It will improve and consolidate internal controls and functional integration at various levels of the organisation such as information technology, human resources, finance, legal and general management leading to an efficient organisation capable of responding swiftly to volatile and rapidly changing market scenarios.
- (vii) It will facilitate debt consolidation which will improve the debt servicing abilities through improved cash flows.
- (viii) It would enhance the value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of Dishman Pharmaceuticals and Chemicals Limited built up over approximately three decades of experience, enhanced scale of operations and sharper focus.

6. SALIENT FEATURES OF THE SCHEME

- 6.1 The Scheme of Arrangement and Amalgamation among DPCL, DCL and CAIL will take effect from "Appointed Date" i.e. 1st January, 2015 and *inter alia* provides for the following:
- a) Transfer and vesting of the ETP Undertaking (as defined hereinafter) of DPCL into CAIL by way of slump sale;
 - b) Followed by, amalgamation of DCL into and with DPCL in accordance with Section 2(1B) of the Income Tax Act, 1961;
 - c) Followed by, amalgamation of DPCL into and with CAIL in accordance with Section 2(1B) of the Income Tax Act, 1961.
- 6.2 The term "**ETP Undertaking**" shall mean the Transferor Company's undertaking, business, activities and operations pertaining to its Water Treatment Systems - Effluent Treatment Plants ("ETP") for treatment of Low COD (Chemical Oxygen Demand) waste at Bavla, ETP for treatment of High COD waste at Bavla (termed as Zero Discharge System) and ETP for treatment of Low COD waste at Naroda, and shall also include but not limited to the following:
- a) All assets (wherever situated), whether movable or immovable including land and building, capital work in progress, tangible or intangible, real or personal, corporeal and incorporeal, including furniture, fixtures, vehicles, stocks and inventory, office equipment, appliances, accessories, unquoted investments, leasehold assets, easements and other properties, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, together with all present and future liabilities (including contingent liabilities, if any) pertaining to the ETP Undertaking;
 - b) All rights, entitlements, approvals, licenses, consents, permissions, brands, logos, engagements, arrangements, municipal permissions belonging to or proposed to be utilized for the ETP Undertaking;
 - c) All secured and unsecured debts, liabilities (including contingent liabilities), duties, undertakings and obligations pertaining to the ETP business of every kind, nature and description whatsoever and howsoever arising in connection with or relating to the ETP Undertaking;
 - d) All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders or other instruments of whatsoever nature to which Transferor Company is a party, exclusively relating to ETP Undertaking, business, activities and operations pertaining to its ETP Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Transferor Company in relation to its ETP Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, if any, and all other rights, title, interests, privileges and benefits of every kind in relation to its ETP Undertaking;
 - e) All registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Transferor Company in ETP Undertaking, business, activities and operations pertaining to the ETP Undertaking;
 - f) All employees of the Transferor Company employed in the ETP Undertaking as identified by the Board of Directors of the Transferor Company, as on the Effective Date;
 - g) All records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, labels lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the ETP Undertaking.
- 6.3 The term "**Undertaking**" means and includes all the undertakings and entire business of the Amalgamating Company as a going concern, including, without limitation:
- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) whether or not recorded in the books of accounts of the Amalgamating Company, including, without limitation, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including overseas subsidiaries, furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Amalgamating Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company, whether in India or abroad;
 - (b) all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company;

- (c) all contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Amalgamating Company are parties, including lease agreements, leave and license agreements, tenancy rights, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements/contracts with the supplier of goods and/or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Amalgamating Company is party;
- (d) all intellectual property rights (including intangible assets and business or commercial rights), registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Amalgamating Company, whether or not recorded in the books of accounts of the Amalgamating Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Amalgamating Company, whether used or held for use by it;
- (e) all liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Amalgamating Company; and
- (f) any and all permanent employees, who are on the payrolls of the Amalgamating Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Amalgamating Company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Amalgamating Company.

6.4 Transfer and vesting of ETP Undertaking

- 6.4.1 Upon the Scheme becoming effective, with effect from the Appointed Date herein, the ETP Undertaking pursuant to the provisions of Section 391 and 394 of the 1956 Act and applicable provisions of 2013 Act shall stand transferred to and vested in the Transferee Company, as a going concern, without any further act or deed, as per the provisions contained herein, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to existing charges or *lis pendens*, if any, thereon.
- 6.4.2 The total consideration for transfer and vesting of the ETP Undertaking of the Transferor Company in the Transferee Company shall be Rs. 15 Crores (Rupees Fifteen Crores) as determined by the boards of directors of the Transferor Company and the Transferee Company based on the recommendation of the audit committee of the Transferor Company and valuation report of Sharp & Tannan, an independent chartered accountant and fairness report of Centrum Capital Limited, an independent merchant banker approved by the board of directors of the Transferor Company and Transferee Company.
- 6.4.3 The Transferee Company shall, upon this Scheme becoming effective, with effect from the Appointed Date record assets and Liabilities of the ETP Undertaking as vested in it pursuant to this Chapter 2 in accordance with an allocation report to be prepared in accordance with Accounting Standard - 10 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act.

6.5 Amalgamation of DCL into and with DPCL

- 6.5.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date and after giving effect to transfer of ETP Undertaking from DPCL to CAIL, the Undertaking of Amalgamating Company 1 shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394, Section 100 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Amalgamated Company 1, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of Amalgamated Company 1.
- 6.5.2 With effect from the Appointed Date and up to and including the Effective Date, the Amalgamating Company 1 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Amalgamated Company 1.
- 6.5.3 Upon the Scheme being effective and in consideration of the transfer of and vesting of the Undertaking of the Amalgamating Company 1 in the Amalgamated Company 1 pursuant to this Scheme, no shares shall be required to be issued and allotted in respect of the equity shares held by Amalgamated Company 1 in Amalgamating Company 1. The equity shares held by Amalgamated Company 1 in Amalgamating Company 1 shall be deemed to be cancelled and shall stand extinguished without any consideration, further act, deed or thing by Amalgamating Company 1 and Amalgamated Company 1.
- 6.5.4 The Amalgamated Company 1 shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company 1) and liabilities of the Amalgamating Company 1 vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard – 14.
- 6.5.5 Upon the Scheme becoming finally effective all legal proceedings by or against DCL shall be continued and be enforced by or against DPCL, as the case may be.
- 6.5.6 Upon the Scheme becoming effective, DPCL shall take over employees of DCL on the same terms as they are employed by DCL.
- 6.5.7 Pursuant to the Scheme being effective, DCL shall be dissolved without winding up pursuant to the provisions of Section 394 of the Companies Act, 1956.

6.6 Amalgamation of DPCL into and with CAIL

- 6.6.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date and after giving effect to transfer of ETP Undertaking of DPCL to CAIL and amalgamation of DCL into and with DPCL, the Undertaking of Amalgamating Company 2 shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394, Section 100 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company 2, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company 2.

- 6.6.2 With effect from the Appointed Date and up to and including the Effective Date, the Amalgamating Company 2 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Amalgamated Company 2.
- 6.6.3 The Amalgamated Company 2 shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Amalgamating Company 2 whose name is recorded in the register of members of the Amalgamating Company 2 on the Record Date in the following ratio:
 "1 (One) fully paid up equity shares of Rs. 2 (Rupees Two) each of Amalgamated Company 2 for every 1 (One) fully paid equity share of Rs. 2 (Rupees Two) each held by such shareholder in Amalgamating Company 2."
- 6.6.4 The Equity Shares so issued and allotted, shall rank paripassu in all respects with the existing Equity Shares of the Amalgamated Company 2.
- 6.6.5 The equity shares issued to the shareholders of DPCL will be listed and admitted for trading and the Amalgamated Company 2 shall comply with the requirements of the SEBI Circular and take all steps to get the equity shares issued pursuant to the Scheme listed on NSE and BSE on which the equity shares of the Amalgamating Company 2 are listed, in accordance with relevant regulations.
- 6.6.6 The equity shares in the Amalgamated Company 2 allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 6.6.7 There shall be no change in the shareholding pattern or control in the Amalgamated Company 2 between the record date and the listing which may affect the status of the approval by the Stock Exchanges.
- 6.6.8 The Amalgamated Company 2 shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company 2) and liabilities of the Amalgamating Company 2 vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard - 14. Equity shares of the Amalgamated Company 2 held by Amalgamating Company 2 shall not be recorded by the Amalgamated Company 2 as assets and shall be cancelled pursuant to Clause 14.
- 6.6.9 To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Amalgamating Company 2 and the Amalgamated Company 2 (including, without limitation, an amount of Rs. 15 Crores (Rupees Fifteen Crores) being the amount outstanding to be discharged by the Amalgamated Company 2 to the Amalgamating Company 2 as consideration upon transfer of ETP Undertaking), the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Amalgamated Company 2 as well as Amalgamating Company 2 for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 6.6.10 Upon this Scheme becoming effective, the name of Amalgamated Company 2 shall be deemed to have been changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited" in accordance with Section 13 of the 2013 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable.
- 6.6.11 Upon the Scheme becoming finally effective all legal proceedings by or against DPCL shall be continued and be enforced by or against CAIL, as the case may be.
- 6.6.12 Upon the Scheme becoming effective, CAIL shall take over employees of DPCL on the same terms as they are employed by DPCL.
- 6.6.13 The Scheme is conditional on and subject to the sanction of the Authorities concerned, approval by the requisite majority of the shareholders and creditors and sanctions of the High Court of Judicature at Gujarat, as may be required.
- 6.6.14 Pursuant to the Scheme being effective, DPCL shall be dissolved without winding up pursuant to the provisions of Section 394 of the Companies Act, 1956.
- 6.6.15 Pursuant to the Scheme being effective, the entire share capital of CAIL held by DPCL and its nominees shall stand cancelled as an integral part of the Scheme.
- 6.7 Upon the Scheme coming into effect, the Authorised Share Capital of the Amalgamating Companies shall stand combined with the Authorised Share Capital of the Amalgamated Company 2 and the Memorandum of Association of the Amalgamated Company 2 shall automatically stand amended accordingly as an integral part of the Scheme.
- 6.8 Pursuant to the Scheme being effective, all the main objects specified in the Memorandum of Association of DPCL shall be added/clubbed/included as main objects in the Memorandum of Association of CAIL.
- 6.9 Upon the coming into effect of this Scheme, the Directors of DPCL shall be appointed as Directors of CAIL subject to the compliance of applicable provisions of the 1956 Act or 2013 Act as may be applicable. The approval of the members of CAIL to the Scheme shall be deemed to be their consent/approval for their appointment as Directors under the applicable provisions of the 2013 Act and 1956 Act.
- 6.10 On approval of the Scheme by the Shareholders of the Transferor Company and Transferee Company pursuant to Section 391 of the Companies Act, 1956, it shall be deemed that the said members have also accorded all relevant consents under Section 13 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956 and any other provisions of the said Acts to the extent the same may be considered applicable.
- 6.11 **The features set out above being the salient features of the Scheme of Arrangement and Amalgamation; the Equity Shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.**
- 6.12 The proposed Scheme of Arrangement and Amalgamation was approved by the Board of Directors of the Applicant Company at the meeting held on 24th February, 2016 after considering the recommendation of the Audit Committee, Valuation Report dated 23rd February, 2016 issued by M/s Sharp & Tannan, Chartered Accountants and Fairness Opinion dated 23rd February, 2016 of an independent Category – I Merchant Banker M/s Centrum Capital Limited.
- 6.13 In accordance with the Circular No.CIR/CFD/CMD/16/2015 dated 30th November 2015 issued by the Securities and Exchange Board of India (SEBI), the Audit Committee of the Board of Directors of the Applicant Company had on 24th February, 2016, recommended the proposed Scheme of Amalgamation for approval of the Board.
- 6.14 BSE Limited and National Stock Exchange of India Limited have given No-objection / observation letter dated 12th May, 2016 to the Scheme of Arrangement and Amalgamation.

7. CAPITAL STRUCTURE PRE AND POST AMALGAMATION

7.1 Pre and Post Amalgamation capital structure of DPCL is as follows:

Share Capital	Pre	Post
Authorized Share Capital		
No. of Equity Shares of Rs. 2 each	16,50,00,000	-
Amount (in Rs.)	33,00,00,000	-
Issued, subscribed and paid-up		
No. of Equity Shares of Rs. 2 each	16,13,94,272	-
Amount (in Rs.)	32,27,88,544	-

7.2 Pre and Post Amalgamation capital structure of DCL is as follows:

Share Capital	Pre	Post
Authorized Share Capital		
No. of Equity Shares of Rs. 2 each	2,50,000	-
Amount (in Rs.)	5,00,000	-
Issued, subscribed and paid-up		
No. of Equity Shares of Rs. 2 each	2,50,000	-
Amount (in Rs.)	5,00,000	-

7.3 Pre and Post Amalgamation capital structure of CAIL is as follows:

Share Capital	Pre	Post
Authorized Share Capital		
No. of Equity Shares of Rs. 2 each	50,00,000	17,02,50,000
Amount (in Rs.)	1,00,00,000	34,05,00,000
Issued, subscribed and paid-up		
No. of Equity Shares of Rs. 2 each	2,50,000	16,13,94,272
Amount (in Rs.)	5,00,000	32,27,88,544

7.4 The shareholding pattern pre and post amalgamation of the DPCL, DCL and CAIL as on June 24, 2016 are as under:

Category	DPCL		DCL		CAIL			
	Pre-Amalgamation		Pre-Amalgamation		Pre-Amalgamation		Post-Amalgamation	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoter & Promoter Group	9,90,96,898	61.40					9,90,96,898	61.40
– Individual/ HUF	9,78,96,898	60.66	2,49,500	99.8	2,49,500	99.8	9,78,96,898	60.66
– Bodies Corporate	12,00,000	0.74	500	0.20	500	0.20	12,00,000	0.74
Public	6,22,97,374	38.60					6,22,97,374	38.60
– Mutual Funds	59,81,128	3.71	-	-	-	-	59,81,128	3.71
– Foreign Portfolio Investor	2,16,81,875	13.43	-	-	-	-	2,16,81,875	13.43
– Financial Institutions / Banks	14,49,369	0.90	-	-	-	-	14,49,369	0.90
– Foreign Institutional Investor	94,22,611	5.84	-	-	-	-	94,22,611	5.84
– Bodies Corporate	29,99,342	1.86	-	-	-	-	29,99,342	1.86
– Clearing Member	8,03,051	0.50	-	-	-	-	8,03,051	0.50
– Others	1,99,59,998	12.37	-	-	-	-	1,99,59,998	12.37
Total	16,13,94,272	100	2,50,000	100	2,50,000	100	16,13,94,272	100

8. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

None of the Directors or Key Managerial Personnel (KMPs) of DPCL, CAIL and DCL, or their relatives, have any material interest in the Scheme except to the extent of shares, held by them in DPCL or CAIL or DCL or to the extent the said Directors are common Directors in DPCL and/or CAIL and/or DCL or to the extent the Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in DPCL. The effect of the Scheme on interests of the Directors and KMPs and their relatives, is not any different from the effect of the Scheme on like interests of other persons.

The present details of the directors of DPCL and their shareholding in DPCL, DCL and CAIL are as under:

Name of the Director	Equity shares held in		
	DPCL	DCL	CAIL
Mr. Janmejy R. Vyas	50559710	60000*	247000*
Mrs. Deohooti J. Vyas	21929000	60000*	500*
Mr. Arpit J. Vyas	25127950	68500*	500*
Mr. Mark C. Griffiths	Nil	Nil	Nil
Mr. Sanjay S. Majmudar	49300	Nil	500*
Mr. Ashok C. Gandhi	300	Nil	Nil
Mr. Subir Kumar Das	Nil	Nil	Nil
Mr. Rajendra S. Shah	Nil	Nil	Nil

* Shares held as a nominee of DPCL

The present details of the directors of DCL and their shareholding in DPCL, DCL and CAIL are as under:

Name of the Director	Equity shares held in		
	DPCL	DCL	CAIL
Mrs. Deohooti J. Vyas	21929000	60000*	500*
Mr. Arpit J. Vyas	25127950	68500*	500*
Ms. Aditi J. Vyas	207238	60000*	500*

* Shares held as a nominee of DPCL

The present details of the directors of CAIL and their shareholding in DPCL, DCL and CAIL are as under:

Name of the Director	Equity shares held in		
	DPCL	DCL	CAIL
Mr. Janmejy R. Vyas	50559710	60000*	247000*
Mr. Sanjay S. Majmudar	49300	Nil	500*
Mr. Arpit J. Vyas	25127950	68500*	500*

* Shares held as a nominee of DPCL

9. GENERAL

- (a) The Scheme is not prejudicial to the interests of the members of the Applicant Company. Pursuant to this Scheme becoming effective, DPCL & DCL will stand dissolved without winding up.
- (b) There are no winding up proceedings pending against DPCL as of date.
- (c) No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 in respect of DPCL.
- (d) Inspection of the following documents may be carried on by the Equity Shareholders of DPCL at the Registered Office of the Company on any working day (except Saturdays) prior to the date of the meeting between 11:00 am and 1:00 pm:
 - i) Copy of the Order dated June 27, 2016 of the Hon'ble High Court of Gujarat at Ahmedabad, passed in Company Application No. 279 of 2016 directing the convening of the meeting of the Equity Shareholders of DPCL;
 - ii) Copy of the Company Application No. 279 of 2016;
 - iii) Memorandum and Articles of Association of DPCL, DCL and CAIL;
 - iv) Auditor's report on Annual Standalone Financial Results of the Applicant Company for financial year ended March 31, 2016 pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - v) Audited Financial Statements of DPCL for financial years ended March 31, 2015 and March 31, 2014;
 - vi) Audited Financial Statements of DCL and CAIL for financial years ended March 31, 2016, March 31, 2015 and March 31, 2014.
 - vii) Copies of the resolutions passed by the respective Board of Directors of the DPCL, CAIL and DCL on February 24, 2016.
 - viii) Copy of Valuation Report dated February 23, 2016 issued by Sharp & Tannan, Chartered Accountants recommending the share exchange ratio.
 - ix) Copy of Fairness Opinion dated February 23, 2016 issued by Category I Merchant Banker M/s Centrum Capital Limited on share exchange ratio
 - x) Copies of Complaints Report dated April 8, 2016 submitted to both BSE and NSE.
 - xi) Copies of Observation Letter issued by BSE and NSE dated May 12, 2016.
 - xii) Register of Director's Shareholdings of DPCL;
 - xiii) Other documents displayed by the Stock Exchange and DPCL's website, in terms of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.
 - xiv) Copies of the Scheme of Arrangement and Amalgamation and of the statement under section 393 of the Companies Act, 1956 are available free of charge at the Registered Office of the Company or at the office of its Advocates M/s. J. Sagar Associates, A-502 & 503, Shapath Hexa, Opposite Gujarat High Court, Near Sola Bridge, Janta Nagar, Kakoldiya Road, S G Highway, Ahmedabad - 380060

Dated this 7th day of July, 2016

Registered Office:

Bhadr-Raj Chambers, Swastik Cross Road,
Navrangpura, Ahmedabad-380 009, Gujarat.

Mr. Janmejy R. Vyas
Chairman appointed for the meeting

SCHEME OF ARRANGEMENT AND AMALGAMATION

(UNDER SECTIONS 391 TO 394 READ WITH SECTION 100 AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 1956 AND COMPANIES ACT, 2013)

AMONGST

DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED

AND

CARBOGEN AMCIS (INDIA) LIMITED

AND

DISHMAN CARE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

CHAPTER 1

Chapter 1 of this Scheme of Arrangement and Amalgamation ("**Scheme**") sets forth the overview and the objects of the Scheme.

1.1 DESCRIPTION OF COMPANIES

- 1.2 Dishman Pharmaceuticals and Chemicals Limited (CIN No. L24230GJ1983PLC006329) is a public company limited by shares incorporated in 1983 under the provisions of the Companies Act, 1956, having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat and is engaged in Contract Research and Manufacturing Services and manufacture and supply of marketable molecules such as specialty chemicals, vitamins & chemicals and disinfectants. The equity shares of Dishman Pharmaceuticals and Chemicals Limited are listed on National Stock Exchange of India Ltd. ("**NSE**") and BSE Ltd. ("**BSE**") (collectively, the "**Stock Exchanges**").
- 1.3 Carbogen Amcis (India) Limited (CIN No. U74900GJ2007PLC051338) is a public company limited by shares incorporated in 2007 under the provisions of the Companies Act 1956, having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat and is engaged in research and development, including regulatory filings, of certain pharmaceutical molecules for some of the overseas subsidiaries of Dishman Pharmaceuticals and Chemicals Limited. Its entire equity share capital is held by Dishman Pharmaceuticals and Chemicals Limited.
- 1.4 Dishman Care Limited (CIN No. U24233GJ2010PLC059935) is a public company limited by shares incorporated in 2010 under the provisions of the Companies Act 1956, having its registered office at 516, 5th Floor, Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat. It is engaged in market research, business development and marketing of disinfectant products to be manufactured by Dishman Pharmaceuticals and Chemicals Limited. Its entire equity share capital is held by Dishman Pharmaceuticals and Chemicals Limited.
- 1.5 Dishman Pharmaceuticals and Chemicals Limited, Carbogen Amcis (India) Limited and Dishman Care Limited are collectively referred to as the "**Companies**".

2.0 RATIONALE FOR THE COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

- 2.1 This Scheme of Arrangement and Amalgamation is expected to enable better realisation of potential of the businesses of the companies and yield beneficial results and enhanced value creation for the Companies, their respective shareholders, creditors and employees. The rationale for the proposed Scheme is set out below:
- (i) Consolidation of the business and simplification of the group structure. Further, the amalgamation will provide a high level of synergistic integration of operations and better operational management.
 - (ii) Through the "One Company, Two Brands" strategy, the group has been delivering complex solutions suiting the diverse needs of the global customers. The proposed Scheme re-emphasises the strategy of "One Company, Two Brands" with both "Dishman" and "Carbogen Amcis" brands being reflected in the trade name of one company.
 - (iii) Synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements (as all assets, tangible and intangible, including those not recorded in the books of the amalgamating company, and liabilities of the amalgamating company shall be taken over by the amalgamated company and recorded at their respective fair values), and lead to improved alignment of debt and enhancement in earnings and cash flow.
 - (iv) The amalgamated company would be able to better leverage on its large network base and have enhanced businesses potential and increased capability to offer a wider portfolio of products and services with a diversified resource base and deeper client relationships.
 - (v) It would result in financial resources being efficiently merged and pooled leading to more effective and centralised management of funds, greater economies of scale, stronger base for future growth and reduction of administrative overheads (i.e. cost rationalization), which are presently being divided and dissipated between multiple separate entities. The amalgamation shall lead to greater efficiency in management of the businesses, simplicity and reduction in regulatory compliances and cost.
 - (vi) It will improve and consolidate internal controls and functional integration at various levels of the organisation such as information technology, human resources, finance, legal and general management leading to an efficient organisation capable of responding swiftly to volatile and rapidly changing market scenarios.
 - (vii) It will facilitate debt consolidation which will improve the debt servicing abilities through improved cash flows.
 - (viii) It would enhance the value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of Dishman Pharmaceuticals and Chemicals Limited built up over approximately three decades of experience, enhanced scale of operations and sharper focus.
- 2.2 Consequently, the Board of Directors (as hereinafter defined) of the Companies have considered and approved this Scheme of Arrangement and Amalgamation and have accordingly proposed the Slump Sale (as hereinafter defined) and Amalgamation (as hereinafter defined) as integral parts of the Scheme.

3.0 CHAPTERS IN THE SCHEME

The Scheme is divided into five (5) chapters, the details of which are as follows:

- 3.1 **Chapter 1:** Chapter 1 of this Scheme sets forth the overview and objects of the Scheme. Further this Chapter 1 also contains the provisions with respect to definitions, interpretation and share capital of the parties to the Scheme which are common to and shall be applicable on all Chapters of the Scheme;
- 3.2 **Chapter 2:** Chapter 2 provides for specific provisions governing transfer and vesting of ETP Undertaking (as defined hereinafter) of Dishman Pharmaceuticals and Chemicals Limited into Carbogen Amcis (India) Limited by way of Slump Sale;
- 3.3 **Chapter 3:** Chapter 3 provides for specific provisions governing the amalgamation of Dishman Care Limited into and with Dishman Pharmaceuticals and Chemicals Limited;
- 3.4 **Chapter 4:** Chapter 4 provides for specific provisions governing the amalgamation of Dishman Pharmaceuticals and Chemicals Limited into and with Carbogen Amcis (India) Limited;

3.5 **Chapter 5:** Chapter 5 provides for the provisions governing consolidation of the authorised share capital, changes to the main object clause of Carbogen Amcis (India) Limited, change in name of Carbogen Amcis (India) Limited, and certain general terms and conditions applicable to one or more Chapters of this Scheme.

4.0 GENERAL DEFINITIONS AND INTERPRETATION

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

“1956 Act” means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto;

“2013 Act” means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

“Amalgamated Company 1” means Dishman Pharmaceuticals and Chemicals Limited remaining after the Slump Sale of ETP Undertaking (as defined hereinafter);

“Amalgamated Company 2” or **“Transferee Company”** means Carbogen Amcis (India) Limited;

“Amalgamating Companies” means collectively Amalgamating Company 1 and Amalgamating Company 2;

“Amalgamating Company 1” means Dishman Care Limited;

“Amalgamating Company 2” means Dishman Pharmaceuticals and Chemicals Limited remaining after the Slump Sale of ETP Undertaking and the amalgamation of Dishman Care Limited into and with it;

“Amalgamating Company” shall mean any one of Amalgamating Company 1 or Amalgamating Company 2, as the context requires;

“Amalgamation” means amalgamation of Amalgamating Company 1 with Amalgamated Company 1 and Amalgamating Company 2 with Amalgamated Company 2 in accordance with Section 2(1B) of the Income Tax Act, 1961, in terms of Chapter 3 and 4 of the Scheme respectively;

“Appointed Date” means January 1, 2015, or such other date as may be determined by the Board of Directors of the concerned Companies or directed by the High Court and is the date with effect from which the Scheme shall upon sanction of the same by the High Court, be deemed to be operative;

“Audit Committee” means the audit committee of Dishman Pharmaceuticals and Chemicals Ltd., as constituted from time to time;

“Board of Directors” or **“Board”** in relation to each of the Companies, as the case may be, means the board of directors of such company;

“BSE” means BSE Limited;

“Effective Date” means such date as the Companies mutually agree being a date on the last of the dates or post the last of the dates on which all the conditions and matters referred to in clause 5.0 of Chapter 5 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme;

“Encumbrance” means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term **“Encumbered”** shall be construed accordingly;

“ETP Undertaking” shall mean the Transferor Company's undertaking, business, activities and operations pertaining to its Water Treatment Systems - Effluent Treatment Plants (**“ETP”**) for treatment of Low COD (Chemical Oxygen Demand) waste at Bavla, ETP for treatment of High COD waste at Bavla (termed as Zero Discharge System) and ETP for treatment of Low COD waste at Naroda, and shall also include but not limited to the following:

- a) All assets (wherever situated), whether movable or immovable including land and building, capital work in progress, tangible or intangible, real or personal, corporeal and incorporeal, including furniture, fixtures, vehicles, stocks and inventory, office equipment, appliances, accessories, unquoted investments, leasehold assets, easements and other properties, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, together with all present and future liabilities (including contingent liabilities, if any) pertaining to the ETP Undertaking;
- b) All rights, entitlements, approvals, licenses, consents, permissions, brands, logos, engagements, arrangements, municipal permissions belonging to or proposed to be utilized for the ETP Undertaking;
- c) All secured and unsecured debts, liabilities (including contingent liabilities), duties, undertakings and obligations pertaining to the ETP business of every kind, nature and description whatsoever and howsoever arising in connection with or relating to the ETP Undertaking;
- d) All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders or other instruments of whatsoever nature to which Transferor Company is a party, exclusively relating to ETP Undertaking, business, activities and operations pertaining to its ETP Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Transferor Company in relation to its ETP Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, if any, and all other rights, title, interests, privileges and benefits of every kind in relation to its ETP Undertaking;
- e) All registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Transferor Company in ETP Undertaking, business, activities and operations pertaining to the ETP Undertaking;

- f) All employees of the Transferor Company employed in the ETP Undertaking as identified by the Board of Directors of the Transferor Company, as on the Effective Date;
- g) All records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, labels lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the ETP Undertaking.

"Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body, statutory body or stock exchange, including but not limited to the Reserve Bank of India ("RBI") and the Securities and Exchange Board of India ("SEBI"), or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law;

"High Court" means the High Court of Judicature at Gujarat having jurisdiction in relation to the Companies and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the 1956 Act or the 2013 Act, as applicable;

"Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

"Liabilities" means all debts and liabilities, both present and future comprised in the ETP Undertaking and Undertaking, whether or not provided in the books of accounts or disclosed in the balance sheet of the Transferor Company and Amalgamating Companies, including all secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), duties and obligations (including under any licenses or permits or schemes of every kind) and undertakings of the Transferor Company and Amalgamating Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any charge, Encumbrance;

"NSE" means the National Stock Exchange of India Limited;

"Record Date" means the date after the Effective Date to be fixed by the Board of Directors of the Amalgamated Company 2 and the Amalgamating Company 2 for the purpose of determining the equity shareholders of the Amalgamating Company 2, as applicable, to whom equity shares of the Amalgamated Company 2 will be allotted pursuant to this Scheme;

"Registrar of Companies" means the Registrar of Companies, Ahmedabad;

"Scheme", "the Scheme", "this Scheme" means this Scheme of Arrangement and Amalgamation, pursuant to Sections 391 to 394 read with Section 100 of the 1956 Act, or any other applicable provisions of the 1956 Act or the 2013 Act, if any, in its present form (along with any annexures, schedules, etc, attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals including approvals of the shareholders and/or creditors, as applicable, and sanction from the High Court under the 1956 Act or 2013 Act, as applicable, and under all applicable laws;

"SEBI Circular" means the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, both issued by the Securities and Exchange Board of India and any related and amended circulars that SEBI may issue in respect of schemes of arrangement ;

"Share Exchange Ratio" has the meaning ascribed to it in sub-clause 12.1 of Chapter 4 of the Scheme hereof;

"Slump Sale" means the transfer of ETP Undertaking of the Transferor Company to the Transferee Company as a going concern and "as-is-where-is" basis for a lump sum consideration, without values being assigned to the individual assets and liabilities, in terms of Chapter 2 of the Scheme.

"Stock Exchanges" shall mean BSE and NSE;

"Transferor Company" means Dishman Pharmaceuticals and Chemicals Ltd.;

"Undertaking" means and includes all the undertakings and entire business of the Amalgamating Company as a going concern, including, without limitation:

- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) whether or not recorded in the books of accounts of the Amalgamating Company, including, without limitation, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including overseas subsidiaries, furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Amalgamating Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company, whether in India or abroad;
- (b) all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company;

- (c) all contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Amalgamating Company are parties, including lease agreements, leave and license agreements, tenancy rights, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements/contracts with the supplier of goods and/or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Amalgamating Company is party;
- (d) all intellectual property rights (including intangible assets and business or commercial rights), registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Amalgamating Company, whether or not recorded in the books of accounts of the Amalgamating Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Amalgamating Company, whether used or held for use by it;
- (e) all liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Amalgamating Company; and
- (f) any and all permanent employees, who are on the payrolls of the Amalgamating Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Amalgamating Company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Amalgamating Company.
- 4.2 All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 1956 Act or the 2013 Act, as applicable, the Income Tax Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 4.3 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- 4.4 The headings herein shall not affect the construction of this Scheme.
- 4.5 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 4.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 4.7 References to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- 4.8 References to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- 4.9 Any reference to any statute or statutory provision shall include:
- (a) All subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
- (b) Such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

5.0 SHARE CAPITAL

5.1 Dishman Pharmaceuticals and Chemicals Limited

The share capital structure of Dishman Pharmaceuticals and Chemicals Limited as on 31st December, 2015 is as under:

A. Authorised Share Capital	Amount in Rupees
10,00,00,000 Equity shares of Rs. 2 each	20,00,00,000
Total	20,00,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
8,06,97,136 Equity shares of Rs. 2 each	16,13,94,272
Total	16,13,94,272

After 31st December, 2015 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Dishman Pharmaceuticals and Chemicals Limited¹.

¹ The Board of Directors of Dishman Pharmaceuticals and Chemicals Limited, in their meeting held on February 24, 2016, approved issue of bonus shares to its equity shareholders in the ratio of 1:1. Pursuant to the approval of the shareholders, the authorised share capital and the issued & paid up share capital shall get appropriately amended to give effect to the issue of bonus shares.

5.2 Carbogen Amcis (India) Limited

The share capital structure of **Carbogen Amcis (India) Limited** as on 31st December, 2015 is as under:

A. Authorised Share Capital	Amount in Rupees
50,00,000 Equity shares of Rs.2 each	1,00,00,000
Total	1,00,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
2,50,000 Equity shares of Rs. 2 each	5,00,000
Total	5,00,000

After 31st December, 2015 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Carbogen Amcis (India) Limited.

5.3 Dishman Care Limited

The share capital structure of **Dishman Care Limited** as on 31st December, 2015 is as under:

A. Authorised Share Capital	Amount in Rupees
2,50,000 Equity Shares of Rs. 2 each	5,00,000
Total	5,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
2,50,000 Equity shares of Rs. 2 each	5,00,000
Total	5,00,000

After 31st December, 2015 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Dishman Care Limited.

**CHAPTER 2 – TRANSFER OF ETP UNDERTAKING FROM TRANSFEROR COMPANY TO
TRANSFeree COMPANY BY WAY OF SLUMP SALE**

1.0 Transfer and Vesting of ETP Undertaking of Transferor Company to Transferee Company

- 1.1** Upon the Scheme becoming effective, with effect from the Appointed Date herein, the ETP Undertaking pursuant to the provisions of Section 391 and 394 of the 1956 Act and applicable provisions of 2013 Act shall stand transferred to and vested in the Transferee Company, as a going concern, without any further act or deed, as per the provisions contained herein, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to existing charges or *lis pendens*, if any, thereon.
- 1.2** Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, and upon the Scheme becoming effective, with effect from the Appointed Date the entire ETP Undertaking, shall be transferred to the Transferee Company on a going concern and “as-is-where-is” basis, including the assets and Liabilities, for a lump sum consideration, without assigning value to individual assets and Liabilities, and in the following manner:
- In respect of all the movable assets of the ETP Undertaking of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash in hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.
 - the rights to use over the land and buildings appurtenant thereto, as it pertains to the ETP Undertaking, shall form part of the ETP Undertaking and such rights shall be deemed to be specifically granted by the Transferor Company to and vested in the ETP Undertaking (and consequently to the Transferee Company in which the ETP Undertaking shall be transferred pursuant to the provisions of this Chapter 2 of the Scheme) by virtue of sanction of the Scheme by the High Court and the effectiveness of the Scheme.
 - All Liabilities pertaining to the ETP Undertaking including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company shall stand vested in the Transferee Company and shall upon the Scheme becoming effective be deemed to be the Liabilities of the Transferee Company, and Transferee Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that 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.
 - all permits, no objection certificates, contracts, permissions, approvals, consents, rights, entitlements, licenses, including those relating to tenancies, copyrights, intellectual property rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the ETP Undertaking of 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 on the Effective Date, shall stand transferred to and vested in the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting and transfer of ETP Undertaking pursuant to this Scheme, and shall be and remain in full force, operative and effectual for the benefit of the Transferee Company, and may be enforced by the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been the original party or beneficiary or obligee thereto.

- e) Any suits, appeals or other proceedings of whatsoever nature and pending in any court, tribunal or any other forum, relating to the ETP Undertaking, whether by or against the Transferor Company, shall not abate or be discontinued or in any way prejudicially affected by reason of the transfer of the ETP Undertaking into Transferee Company or of any order of or direction passed or issued in such proceedings or anything contained in this Scheme, but by virtue of the vesting and sanction order, such legal proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented.
 - f) All the employees, pertaining to the ETP Undertaking, shall become employees of and be engaged by the Transferee Company pursuant to the vesting orders and by operation of law, with effect from this Scheme coming into effect, on such terms and conditions as are no less favorable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of transfer of ETP Undertaking, without any further act, deed or instrument on the part of the Transferor Company or the Transferee Company. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees, Transferee Company shall stand substituted for Transferor Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees and the services of all such employees of the Transferor Company for such purpose shall be treated as having been continuous.
 - g) All intellectual property including registrations, goodwill, licenses, trademarks, logos, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, pertaining to the ETP Undertaking, if any, shall stand vested in the Transferee Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon the vesting orders of the High Court sanctioning the Scheme and this Scheme becoming effective.
 - h) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, etc.) payable by or refundable to the ETP Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, rebates, benefits, credits, tax holidays u/s 80-IA of Income Tax Act, remissions, reductions, etc, as would have been available to ETP Undertaking, shall pursuant to this Scheme becoming effective, be available to the Transferee Company.
 - i) All benefits of any and all corporate approvals as may have already been taken by the Transferor Company with respect to the ETP Undertaking, whether being in the nature of compliances or otherwise, shall stand vested in the Transferee Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Transferee Company.
 - j) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company in relation to the ETP Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 394(2) and other applicable provisions of the 1956 Act and 2013 Act, without any further act, instrument or deed be and shall stand vested in or be deemed to have been vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.
- 1.3 Upon this Scheme becoming effective, the secured creditors of the Transferor Company that relate to the ETP Undertaking, if any, and/or other security holders over the properties of the ETP Undertaking shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of ETP Undertaking, as existing immediately prior to transfer of the ETP Undertaking into the Transferee Company. It is hereby clarified that pursuant to the transfer of the ETP Undertaking into the Transferee Company, the secured creditors of the Transferor Company related to the ETP Undertaking and/or other security holders over the properties of the ETP Undertaking shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company. Such assets of the Transferor Company related to the ETP Undertaking and that of the Transferee Company, as the case may be, which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.
- 1.4 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after this Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.
- 1.5 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for vesting of the approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in relation to the ETP Undertaking, in the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the High Court, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file, if any, appropriate applications/documents with relevant authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

2.0 Conduct of business till this Scheme comes into effect

With effect from the Appointed Date and up to and including the date of this Scheme coming into effect all profits or income arising or accruing in favour of the Transferor Company in relation to the ETP Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Transferor Company in relation to the ETP Undertaking shall, for all intent and purposes, be treated as and be deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company.

3.0 When Scheme becomes effective

- 3.1 With effect from the date of this Scheme coming into effect, the Transferee Company shall carry on and shall be entitled to carry on the ETP Undertaking.
- 3.2 For the purpose of giving effect to the order passed under Sections 391 to 394 and other applicable provisions of the 1956 Act in respect of the Scheme by the High Court, the Transferee Company shall, at any time pursuant to the orders sanctioning this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the ETP Undertaking into the Transferee Company, in accordance with the provisions of Sections 391 to 394 of the 1956 Act. 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 this Scheme.
- 3.3 Upon this Scheme becoming effective, the Transferee Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the ETP Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

4.0 Consideration

- 4.1 The total consideration for transfer and vesting of the ETP Undertaking of the Transferor Company in the Transferee Company shall be Rs. 15 Crores (Rupees Fifteen Crores).
- 4.2 Upon the Scheme becoming effective, the total consideration payable in cash for transfer and vesting of the ETP Undertaking as given under clause 4.1 above shall be kept outstanding and shall be discharged in terms of Clause 13.3 of Chapter 4 of the Scheme.
- 4.3 The lump sum amount for the vesting of the ETP Undertaking with the Transferee Company, by way of Slump Sale, stated in Clause 4.1 above has been determined by the boards of directors of the Transferor Company and the Transferee Company based on the recommendation of the audit committee of the Transferor Company and valuation report of Sharp & Tannan, an independent chartered accountant and fairness report of Centrum Capital Limited, an independent merchant banker approved by the board of directors of the Transferor Company and Transferee Company.

5.0 Accounting Treatment

5.1 Accounting Treatment in the books of the Transferee Company

The Transferee Company shall, upon this Scheme becoming effective, with effect from the Appointed Date record assets and Liabilities of the ETP Undertaking as vested in it pursuant to this Chapter 2 in accordance with an allocation report to be prepared in accordance with Accounting Standard - 10 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act.

5.2 Accounting Treatment in the books of the Transferor Company

The Transferor Company shall, upon this Scheme becoming effective, with effect from the Appointed Date, account for Chapter 2 of the Scheme as under:

- (a) The book value of all assets and liabilities pertaining to the ETP Undertaking, which cease to be assets and liabilities of the Transferor Company, shall be reduced by the Transferor Company from the respective assets and liabilities.
- (b) Any difference between consideration as per Clause 4.0 above and the items mentioned in Clause 5.2(a) above shall be adjusted in its Statement of Profit and Loss.

CHAPTER 3 – AMALGAMATION OF AMALGAMATING COMPANY 1 WITH AMALGAMATED COMPANY 1

- 1.0 Upon the coming into effect of the Scheme and with effect from the Appointed Date and after giving effect to Chapter 2 of the Scheme, the Undertaking of Amalgamating Company 1 shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394, Section 100 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Amalgamated Company 1, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company 1 by virtue of and in the manner provided in this Chapter.
- 2.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of the Scheme and with effect from the Appointed Date,
- a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts of the Amalgamating Company 1, comprised in the Undertaking of whatsoever nature and where-so-ever situate shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Amalgamated Company 1 and/or be deemed to be transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Amalgamated Company 1.
 - b) such of the assets and properties of the Amalgamating Company 1 as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company 1 and/or be deemed to stand transferred to the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of

the Amalgamated Company 1. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

- c) all other movable properties of the Amalgamating Company 1, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), 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, deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Amalgamated Company 1 and/or deemed to have been transferred to and vested in the Amalgamated Company 1, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Amalgamated Company 1.
- d) The Amalgamated Company 1 may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Amalgamated Company 1 as the person entitled thereto, to the end and intent that the right of the Amalgamating Company 1 to recover or realize all such debts (including the debts payable by such debtor or obligor to the Amalgamating Company 1) stands transferred and assigned to the Amalgamated Company 1 and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Amalgamating Company 1 and all the rights, title and interest of the Amalgamating Company 1 in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company 1.
- e) all immovable properties of the Amalgamating Company 1, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Amalgamating Company 1, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company 1, without any further act or deed done or being required to be done by the Amalgamating Company 1 and/or the Amalgamated Company 1. The Amalgamated Company 1 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company 1 by the appropriate authorities pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof.
- f) all lease/license or rent agreements entered into by the Amalgamating Company 1 with various landlords, owners and lessors in connection with the use of the assets of the Amalgamating Company 1, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of the Amalgamated Company 1 on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Amalgamated Company 1 shall continue to pay rent or lease or license fee as provided for in such agreements, and the Amalgamated Company 1 and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, the Amalgamated Company 1 shall also be entitled to refund of security deposits paid under such agreements by the Amalgamating Company 1.
- g) All permissions, approvals, consents, subsidies, incentives, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company 1 enjoyed or conferred upon or held or availed of by the Amalgamating Company 1 and all rights and benefits that have accrued or which may accrue to the Amalgamating Company 1, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements, of the Amalgamated Company 1 and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Amalgamated Company 1, and the Amalgamated Company 1 shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company 1.
- h) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Amalgamating Company 1, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company 1, or to the benefit of which, the Amalgamating Company 1 may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Amalgamated Company 1 and may be enforced as fully and effectually as if, instead of the Amalgamating Company 1, the Amalgamated Company 1 had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Company 1 (and not by any of its successors), shall be fulfilled by the Amalgamated Company 1 as if it is the duly constituted attorney of that Amalgamating Company 1.

- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Amalgamating Company 1 or to the benefit of which the Amalgamating Company 1 may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Amalgamated Company 1. Such property and rights shall stand vested in the Amalgamated Company 1 and shall be deemed to have become the property of the Amalgamated Company 1 by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.
 - j) all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Amalgamating Company 1, whether or not provided in books of accounts of the Amalgamating Company 1, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Amalgamated Company 1.
 - k) all intangible assets including various business or commercial rights, etc belonging to but not recorded in books of the Amalgamating Company 1 shall be transferred to and vested with the Amalgamated Company 1 and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at the prescribed rates.
 - l) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Amalgamating Company 1, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Amalgamated Company 1, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, as would have been available to the Amalgamating Company 1, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Company 1. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Amalgamated Company 1 w.e.f. from Appointed Date in terms of section 72A of Income Tax Act.
 - m) the Amalgamated Company 1 shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Amalgamating Company 1 under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Amalgamating Company 1 and the Amalgamated Company 1 in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
 - n) All statutory rights and obligations of Amalgamating Company 1 would vest on/accrue to Amalgamated Company 1. Hence, obligation of the Amalgamating Company 1, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Amalgamated Company 1 and if any Form relating to the period prior to the said Effective Date is received in the name of the Amalgamating Company 1, it would be deemed to have been received by the Amalgamated Company 1 in fulfillment of its obligations.
 - o) benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company 1, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Amalgamated Company 1.
 - p) the resolutions, if any, of the Amalgamating Company 1, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company 1 and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company 1 and shall constitute the aggregate of the said limits in the Amalgamated Company 1.
 - q) such of the assets comprised in the Undertaking and which are acquired by the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Amalgamated Company 1.
- 3.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of this Scheme and with effect from the Appointed Date,
- (a) all the Liabilities, whether or not provided in the books of the Amalgamating Company 1, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the

transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 1, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Amalgamated Company 1 on the same terms and conditions as were applicable to the Amalgamating Company 1, and the Amalgamated Company 1 shall meet, discharge and satisfy the same.

- (b) all Liabilities comprised in the Undertaking, and which are incurred or which arise or accrue to the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 1 and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Amalgamating Company 1, and the Amalgamated Company 1 shall meet, discharge and satisfy the same.
 - (c) any Liabilities of the Amalgamating Company 1 as on the Appointed Date that are discharged by the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Amalgamated Company 1.
 - (d) all loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Amalgamated Company 1 and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 1 and to the extent they are outstanding on the Effective Date, the Amalgamated Company 1 shall meet, discharge and satisfy the same.
 - (e) loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Amalgamating Company 1 and the Amalgamated Company 1 shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Amalgamated Company 1.
- 4.0 (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 1 which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Amalgamated Company 1. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Amalgamating Company 1 which were earlier not Encumbered or the existing assets of the Amalgamated Company 1. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (b) Any reference in any security documents or arrangements (to which the Amalgamating Company 1 is a party) to the Amalgamating Company 1 and its assets and properties, shall be construed as a reference to the Amalgamated Company 1 and the assets and properties of the Amalgamating Company 1 transferred to the Amalgamated Company 1 pursuant to this Scheme.
 - (c) Without prejudice to the foregoing provisions, the Amalgamated Company 1 may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
 - (d) The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.
- 5.0 (a) Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Amalgamating Company 1, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Amalgamating Company 1 who are on its payrolls shall become employees of the Amalgamated Company 1 with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company 1, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company 1, upon this Scheme becoming effective, the Amalgamated Company 1 shall stand substituted for the Amalgamating Company 1 for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company 1 for such purpose shall be treated as having been continuous.
- (b) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Amalgamating Company 1 for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Amalgamated Company 1 or as may be created by the Amalgamated Company 1 for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Amalgamated Company 1 to the existing funds maintained by the Amalgamating Company 1.

- (c) The Amalgamated Company 1 undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Amalgamating Company 1, the past services of such employees with the Amalgamating Company 1 shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Amalgamating Company 1 will transfer/handover to the Amalgamated Company 1, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- (d) The Amalgamated Company 1 shall continue to abide by any agreement(s)/ settlement(s) entered into by the Amalgamating Company 1 with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.
- 6.0 (a) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Company 1 shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Amalgamating Company 1, as if this Scheme had not been made.
- (b) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Amalgamating Company 1, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Amalgamated Company 1 as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Amalgamated Company 1.
- (c) The Amalgamated Company 1 undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Amalgamating Company 1 transferred to its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company 1.
- 7.0 All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, of the Amalgamating Company 1, to the extent possible and permitted under applicable laws, be handed over to the Amalgamated Company 1.
- 8.0 Without prejudice to the provisions of Clause 1.0 to 7.0 above, with effect from the Appointed Date, all inter-party transactions amongst the Amalgamating Company 1 and the Amalgamated Company 1 shall be considered as intra-party transactions for all purposes.
- 9.0 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Amalgamated Company 1 may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Amalgamating Company 1 are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company 1 pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company 1 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Amalgamated Company 1 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company 1 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 1 to be carried out or performed.
- 10.0 Conduct of Business**
- 10.1 With effect from the Appointed Date and up to and including the Effective Date:
 - (a) the Amalgamating Company 1 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Amalgamated Company 1;
 - (b) all profits and income accruing or arising to the Amalgamating Company 1, and losses and expenditure arising or incurred by the Amalgamating Company 1 for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company 1;
 - (c) any of the rights, powers, authorities or privileges exercised by the Amalgamating Company 1 shall be deemed to have been exercised by the Amalgamating Company 1 for and on behalf of, and in trust for and as an agent of the Amalgamated Company 1. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company 1 shall be deemed to have been undertaken for and on behalf of and as an agent of the Amalgamated Company 1;
 - (d) all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, taxes withheld/paid in a foreign country, sales tax, excise duty, customs duty, service tax, VAT, tax refunds) payable by or refundable to the Amalgamating Company 1, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Amalgamating Company 1) as the case may be, of the Amalgamated Company 1, and any unabsorbed tax losses and depreciation, etc., as would have been available to the Amalgamating Company 1 on or before the Effective Date, shall be available to the Amalgamated Company 1 upon the Scheme coming into effect; and
- 10.2 Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Company 1 on or before the Appointed Date or after the Appointed Date till the Effective Date. The Amalgamated Company 1 accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Company 1.

11.0 Consideration

Upon the Scheme being effective and in consideration of the transfer of and vesting of the Undertaking of the Amalgamating Company 1 in the Amalgamated Company 1 pursuant to this Scheme, no shares shall be required to be issued and allotted in respect of the equity shares held by Amalgamated Company 1 in Amalgamating Company 1. The equity shares held by Amalgamated Company 1 in Amalgamating Company 1 shall be deemed to be cancelled and shall stand extinguished without any consideration, further act, deed or thing by Amalgamating Company 1 and Amalgamated Company 1.

12.0 Accounting Treatment

- 12.1 The Amalgamated Company 1 shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company 1) and liabilities of the Amalgamating Company 1 vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard - 14 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act.
- 12.2 To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as between Amalgamating Company 1 and Amalgamated Company 1, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Amalgamated Company 1 as well as Amalgamating Company 1 for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 12.3 Excess, if any, of the amount of investment in the Amalgamating Company 1 as appearing in the books of the Amalgamated Company 1 as on the Appointed Date over the fair value of Net Assets (including identifiable intangible assets, if any, whether or not recorded in the books of accounts) taken over and recorded will be recognized as goodwill in accordance with Accounting Standard- 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Amalgamated Company 1.
- 12.4 The Amalgamated Company 1 shall record in its books of account, all transactions of the Amalgamating Company 1 in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.
- 12.5 The Board of Directors of the Amalgamating Company 1 and Amalgamated Company 1 may adopt any other accounting treatment for the Amalgamation which is in accordance with Accounting Standards notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of 2013 Act.

13.0 Dissolution of the Amalgamating Company 1

Upon the coming into effect of the Scheme, the Amalgamating Company 1 shall, without any further act, instrument or deed, stand dissolved without winding-up.

CHAPTER 4 – AMALGAMATION OF AMALGAMATING COMPANY 2 WITH AMALGAMATED COMPANY 2

- 1.0 Upon the coming into effect of the Scheme and with effect from the Appointed Date and after giving effect to Chapter 2 and Chapter 3 of the Scheme, the Undertaking of Amalgamating Company 2 shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394, Section 100 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company 2, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company 2 by virtue of and in the manner provided in this Scheme.
- 2.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of the Scheme and with effect from the Appointed Date,
 - a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts, comprised in the Undertaking of whatsoever nature and where-so-ever situate shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Amalgamated Company 2 and/or be deemed to be transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Amalgamated Company 2.
 - b) such of the assets and properties of the Amalgamating Company 2 as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company 2 and/or be deemed to stand transferred to the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of the Amalgamated Company 2. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
 - c) all other movable properties of the Amalgamating Company 2, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), 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, deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any

further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Amalgamated Company 2 and/or deemed to have been transferred to and vested in the Amalgamated Company 2, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Amalgamated Company 2.

- d) The Amalgamated Company 2 may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Amalgamated Company 2 as the person entitled thereto, to the end and intent that the right of the Amalgamating Company 2 to recover or realize all such debts (including the debts payable by such debtor or obligor to the Amalgamating Company 2) stands transferred and assigned to the Amalgamated Company 2 and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Amalgamating Company 2 and all the rights, title and interest of the Amalgamating Company 2 in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company 2.
- e) all immovable properties of the Amalgamating Company 2, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Amalgamating Company 2, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company 2, without any further act or deed done or being required to be done by the Amalgamating Company 2 and/or the Amalgamated Company 2. The Amalgamated Company 2 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company 2 by the appropriate authorities pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof.
- f) all lease/license or rent agreements entered into by the Amalgamating Company 2 with various landlords, owners and lessors in connection with the use of the assets of the Amalgamating Company 2, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of the Amalgamated Company 2 on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Amalgamated Company 2 shall continue to pay rent or lease or license fee as provided for in such agreements, and the Amalgamated Company 2 and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, the Amalgamated Company 2 shall also be entitled to refund of security deposits paid under such agreements by the Amalgamating Company 2.
- g) All permissions, approvals, consents, subsidies, incentives, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company 2 enjoyed or conferred upon or held or availed of by the Amalgamating Company 2 and all rights and benefits that have accrued or which may accrue to the Amalgamating Company 2, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements, of the Amalgamated Company 2 and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Amalgamated Company 2, and the Amalgamated Company 2 shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company 2.
- h) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Amalgamating Company 2, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company 2, or to the benefit of which, the Amalgamating Company 2 may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Amalgamated Company 2 and may be enforced as fully and effectually as if, instead of the Amalgamating Company 2, the Amalgamated Company 2 had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Companies (and not by any of its successors), shall be fulfilled by the Amalgamated Company 2 as if it is the duly constituted attorney of that Amalgamating Companies.
- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Amalgamating Company 2 or to the benefit of which the Amalgamating Company 2 may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Amalgamated Company 2. Such property and rights shall stand vested in the Amalgamated Company 2 and shall be deemed to have become the property of the Amalgamated Company 2 by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.

- j) all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Amalgamating Company 2, whether or not provided in books of accounts of the Amalgamating Company 2, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Amalgamated Company 2.
 - k) all intangible assets including various business or commercial rights, etc belonging to but not recorded in books of the Amalgamating Company 2 shall be transferred to and vested with the Amalgamated Company 2 and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at the prescribed rates.
 - l) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Amalgamating Company 2, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Amalgamated Company 2, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, as would have been available to the Amalgamating Company 2, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Company 2. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Amalgamated Company 2 w.e.f. from Appointed Date in terms of section 72A of Income Tax Act.
 - m) Amalgamated Company 2 shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Amalgamating Company 2 under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Amalgamating Company 2 and the Amalgamated Company 2 in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
 - n) All statutory rights and obligations of Amalgamating Company 2 would vest on/accrue to Amalgamated Company 2. Hence, obligation of the Amalgamating Company 1, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Amalgamated Company 2 and if any Form relating to the period prior to the said Effective Date is received in the name of the Amalgamating Company 2, it would be deemed to have been received by the Amalgamated Company 2 in fulfillment of its obligations.
 - o) benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company 2, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Amalgamated Company 2.
 - p) the resolutions, if any, of the Amalgamating Company 2, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company 2 and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company 2 and shall constitute the aggregate of the said limits in the Amalgamated Company 2.
 - q) such of the assets comprised in the Undertaking and which are acquired by the Amalgamating Company 2 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Amalgamated Company 2.
- 3.0 Without prejudice to the generality of Clauses 1.0 above, upon the coming into effect of this Scheme and with effect from the Appointed Date,
- (a) all the Liabilities, whether or not provided in the books of the Amalgamating Company 2, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 2, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Amalgamated Company 2 on the same terms and conditions as were applicable to the Amalgamating Company 2, and the Amalgamated Company 2 shall meet, discharge and satisfy the same.
 - (b) all Liabilities comprised in the Undertaking, and which are incurred or which arise or accrue to the Amalgamating Company 2 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 2 and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Amalgamating Company 2, and the Amalgamated Company 2 shall meet, discharge and satisfy the same.

- (c) any Liabilities of the Amalgamating Company 2 as on the Appointed Date that are discharged by the Amalgamating Company 2 on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Amalgamated Company 2.
 - (d) all loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Amalgamating Company 2 on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Amalgamated Company 2 and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 2 and to the extent they are outstanding on the Effective Date, the Amalgamated Company 2 shall meet, discharge and satisfy the same.
 - (e) loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Amalgamating Company 2 and the Amalgamated Company 2 shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Amalgamated Company 2.
- 4.0 (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 2 which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Amalgamated Company 2. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Amalgamating Company 2 which were earlier not Encumbered or the existing assets of the Amalgamated Company 2. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (b) Any reference in any security documents or arrangements (to which the Amalgamating Company 2 is a party) to the Amalgamating Company 2 and its assets and properties, shall be construed as a reference to the Amalgamated Company 2 and the assets and properties of the Amalgamating Company 2 transferred to the Amalgamated Company 2 pursuant to this Scheme.
- (c) Without prejudice to the foregoing provisions, the Amalgamated Company 2 may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- (d) The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.
- 5.0 (a) Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Amalgamating Company 2, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Amalgamating Company 2 who are on its payrolls shall become employees of the Amalgamated Company 2 with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company 2, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company 2, upon this Scheme becoming effective, the Amalgamated Company 2 shall stand substituted for the Amalgamating Company 2 for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company 2 for such purpose shall be treated as having been continuous.
- (b) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Amalgamating Company 2 for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Amalgamated Company 2 or as may be created by the Amalgamated Company 2 for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Amalgamated Company 2 to the existing funds maintained by the Amalgamating Company 2.
- (c) The Amalgamated Company 2 undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Amalgamating Company 2, the past services of such employees with the Amalgamating Company 2 shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Amalgamating Company 2 will transfer/handover to the Amalgamated Company 2, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- (d) The Amalgamated Company 2 shall continue to abide by any agreement(s)/ settlement(s) entered into by the Amalgamating Company 2 with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.
- (e) Upon the coming into effect of this Scheme, the Directors of the Amalgamating Company 2 shall be appointed as Directors of the Amalgamated Company 2 subject to the compliance of applicable provisions of the 1956 Act or 2013 Act as may be applicable. The approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for their appointment as Directors under the applicable provisions of the 2013 Act and 1956 Act.

- 6.0 (a) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Company 2 shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Amalgamating Company 2, as if this Scheme had not been made.
- (b) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Amalgamating Company 2, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Amalgamated Company 2 as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Amalgamated Company 2.
- (c) The Amalgamated Company 2 undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Amalgamating Company 2 transferred to its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company 2.
- 7.0 All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, of the Amalgamating Company 2, to the extent possible and permitted under applicable laws, be handed over to the Amalgamated Company 2.
- 8.0 Without prejudice to the provisions of Clauses 1.0 to 7.0 above, with effect from the Appointed Date, all inter-party transactions amongst the Amalgamating Company 2 and the Amalgamated Company 2 shall be considered as intra-party transactions for all purposes.
- 9.0 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Amalgamated Company 2 may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Amalgamating Company 2 are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company 2 pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company 2 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Amalgamated Company 2 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company 2 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 2 to be carried out or performed.
- 10.0 Conduct of Business**
- 10.1 With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Amalgamating Company 2 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Amalgamated Company 2;
- (b) all profits and income accruing or arising to the Amalgamating Company 2, and losses and expenditure arising or incurred by the Amalgamating Company 2 for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company 2;
- (c) any of the rights, powers, authorities or privileges exercised by the Amalgamating Company 2 shall be deemed to have been exercised by the Amalgamating Company 2 for and on behalf of, and in trust for and as an agent of the Amalgamated Company 2. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company 2 shall be deemed to have been undertaken for and on behalf of and as an agent of the Amalgamated Company 2;
- (d) all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, taxes withheld/paid in a foreign country, sales tax, excise duty, customs duty, service tax, VAT, tax refunds) payable by or refundable to the Amalgamating Company 2, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Amalgamating Company 2) as the case may be, of the Amalgamated Company 2, and any unabsorbed tax losses and depreciation, etc., as would have been available to the Amalgamating Company 2 on or before the Effective Date, shall be available to the Amalgamated Company 2 upon the Scheme coming into effect; and
- 11.0 Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Company 2 on or before the Appointed Date or after the Appointed Date till the Effective Date. The Amalgamated Company 2 accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Company 2.
- 12.0 Consideration**
- 12.1 The Amalgamated Company 2 shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Amalgamating Company 2 whose name is recorded in the register of members of the Amalgamating Company 2 on the Record Date in the following ratio ("**Share Exchange Ratio**"):
- "1 (One) fully paid up equity shares of Rs. 2 (Rupees Two) each of Amalgamated Company 2 for every 1 (One) fully paid equity share of Rs. 2 (Rupees Two) each held by such shareholder in Amalgamating Company 2."**
- 12.2 The Share Exchange Ratio has been arrived at on basis of the valuation report of Sharp & Tannan, an independent chartered accountant. Centrum Capital Limited, an independent merchant banker has provided a fairness report on the fairness of the Share Exchange Ratio determined for the vesting of the Undertaking into Amalgamated Company 2. Based on the recommendations of the Audit Committee of the Amalgamating Company 2, the valuation report and fairness report as aforesaid have been duly approved by the board of directors of each of the Amalgamating Company 2 and the Amalgamated Company 2.

- 12.3 The equity shares to be issued and allotted by the Amalgamated Company 2 in terms of Clauses 12.1 above shall be subject to the provisions of the Memorandum and Articles of Association of Amalgamated Company 2 and shall rank *pari passu* in all respects with the existing equity shares of Amalgamated Company 2.
- 12.4 The new equity shares issued pursuant to Clause 12.1 above shall be issued in the dematerialized form by Amalgamated Company 2 unless otherwise notified in writing by the shareholders of the Amalgamating Company 2 to Amalgamated Company 2 on or before such date as may be determined by the board of directors of Amalgamated Company 2 or a committee thereof. In the event, such notice has not been received by Amalgamated Company 2 in respect of any of the members of Amalgamating Company 2, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Amalgamating Company 2 shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Amalgamated Company 2 shall issue and directly credit the dematerialized securities account of such members of Amalgamating Company 2. In the event that Amalgamated Company 2 has received the notice from any of the shareholders of Amalgamating Company 2 that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then Amalgamated Company 2 shall issue the new equity shares in certificate form in such number.
- 12.5 The equity shares to be issued pursuant to this Scheme by Amalgamated Company 2 in respect of the equity shares of Amalgamating Company 2 which are held in abeyance under the provisions of Section 126 of the 2013 Act and/or applicable provisions of 1956 Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Amalgamated Company 2.
- 12.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Amalgamating Company 2, the Board of Directors or any committee thereof, of Amalgamating Company 2 at the sole discretion shall be empowered in appropriate cases, prior to or even subsequent to the Effective Date as the case may be to effectuate such a transfer in Amalgamating Company 2 as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Amalgamated Company 2 shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Amalgamated Company 2 on account of difficulties faced in the transition period.
- 12.7 The equity shares issued to the shareholders under Clause 12.1 will be listed and admitted for trading and the Amalgamated Company 2 shall comply with the requirements of the SEBI Circular and take all steps to get the equity shares issued pursuant to the Scheme listed on NSE and BSE on which the equity shares of the Amalgamating Company 2 are listed, in accordance with relevant regulations. However, it is further clarified that the Amalgamated Company 2 shall have the benefit of any fees and amounts paid by the Amalgamating Company 2 to the Stock Exchanges in relation to its listing and other processes under applicable law till the Effective Date and no separate filing fees would be required to be paid by the Amalgamated Company 2 in respect of the same.
- 12.8 The equity shares of the Amalgamated Company 2 issued in terms of this Scheme shall pursuant to the SEBI Circular and subject to compliance with requisite formalities be listed and/or admitted to trading on the relevant stock exchange(s) where the existing equity shares of the Amalgamating Company 2 are listed and/or admitted to trading, i.e., BSE and NSE. The Amalgamated Company 2 shall enter into such arrangement and issue such confirmations and/or undertakings as may be necessary in accordance with the applicable law or regulation for the above purpose.
- 12.9 The equity shares in the Amalgamated Company 2 allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 12.10 Post the issue of shares pursuant to Clause 12.1, there shall be no change in the shareholding pattern or control in the Amalgamated Company 2 between the record date and the listing which may affect the status of the approval by the Stock Exchanges.
- 12.11 In the event the shares of the Amalgamated Company 2 including shares issued to the Promoters' of Amalgamating Company 2 pursuant to the Clause 12.1 above are subject to lock-in under the SEBI Circular then subject to applicable laws, the shares kept under lock-in may be pledged with Scheduled Commercial Bank or Public Financial Institution as collateral security and shares may also be transferred within the promoters' group during such lock-in period.
- 12.12 In the event that the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 12.13 The issue and allotment of equity shares by Amalgamated Company 2 to the equity shareholders of Amalgamating Company 2 as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Amalgamated Company 2 as if the procedure laid down under Section 62(1)(c) of the 2013 Act and any other applicable provisions of the 1956 Act or 2013 Act were duly complied with.
- 13.0 Accounting Treatment**
- 13.1 The Amalgamated Company 2 shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company 2) and liabilities of the Amalgamating Company 2 vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard - 14 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act. Equity shares of the Amalgamated Company 2 held by Amalgamating Company 2 shall not be recorded by the Amalgamated Company 2 as assets and shall be cancelled pursuant to Clause 14.
- 13.2 The Amalgamated Company 2 shall record issuance of shares at fair value and accordingly credit to its Share Capital Account the aggregate face value of the equity shares issued on Amalgamation. The excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Reserve. The Securities Premium Reserve so credited shall be available for issuance of bonus shares in accordance with applicable laws.
- 13.3 To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Amalgamating Company 2 and the Amalgamated Company 2 (including, without limitation, an amount of Rs. 15 Crores (Rupees Fifteen Crores) being the amount outstanding to be discharged by the Amalgamated Company 2 to the Amalgamating Company 2 as consideration in accordance with Clause 4.0 of Chapter 2 of the Scheme upon transfer of ETP Undertaking pursuant to Clause 1.0 of Chapter 2 of the

Scheme), the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Amalgamated Company 2 as well as Amalgamating Company 2 for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

- 13.4 Excess, if any, of the consideration, viz., fair value of new shares issued over the fair value of Net Assets (including identifiable intangible assets, if any, whether or not recorded in the books of accounts) taken over and recorded will be recognized as goodwill in accordance with Accounting Standard- 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Amalgamated Company 2.
- 13.5 The Amalgamated Company 2 shall record in its books of account, all transactions of the Amalgamating Company 2 in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.
- 13.6 All costs and expenses incurred as per Clause 11 of Chapter 5 below as well as other costs incidental with the finalization of this Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme, shall be charged to Profit and Loss Account with exception of the following cost and expenses, which will be accounted in the books of the Amalgamated Company 2 as under:

Stamp duty payable, if any, on the basis of value of immovable properties of the Amalgamating Company 2 transferred to the Amalgamated Company 2 shall be capitalized in the books of the Amalgamated Company 2 with the said fixed assets in accordance with Accounting Standard - 10 "Accounting of Fixed Assets".
- 13.7 The intangible assets and/or goodwill (if any) transferred/arising on Amalgamation, as aforesaid, shall be amortized in the books of the Amalgamated Company 2 over the useful life as may be determined by the Board.
- 13.8 The Board of Directors may adopt any other accounting treatment for the Amalgamation which is in accordance with Accounting Standards notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of 2013 Act.

14.0 Reduction of Share Capital

Upon allotment of shares by the Amalgamated Company 2 in terms of Clause 12.1, the existing shareholding of the Amalgamating Company 2 in the Amalgamated Company 2, shall, without any consideration and without any further act or deed, be cancelled as an integral part of this Scheme, in accordance with provisions of Sections 100 to 103 of the 1956 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the 1956 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable, for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the 1956 Act or the other relevant provisions of the 2013 Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Amalgamated Company 2, the Amalgamated Company 2 shall not be required to add "And Reduced" as suffix to its name.

15.0 Dissolution of the Amalgamating Company 2

Upon the coming into effect of the Scheme, the Amalgamating Company 2 shall, without any further act, instrument or deed, stand dissolved without winding-up.

CHAPTER 5 – OTHER TERMS AND CONDITIONS

1.0 Combination of Authorised Share Capital

As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised share capital of the Amalgamating Companies as on the Effective Date shall, without any further act, instrument or deed or payment of additional fees payable to the Registrar of Companies or stamp duty, stand transferred to and be merged with the authorised share capital of the Amalgamated Company 2.

2.0 Reorganisation and Combination of the Share Capital

- 2.1 Clause V of the Memorandum of Association of the Amalgamated Company 2 shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13 and 62 of the 2013 Act and Section 394 of the 1956 Act and other applicable provisions of the 1956 Act and 2013 Act, as the case may be and be replaced by the following clause:

*"The Authorised Share Capital of the Company is Rs 21,05,00,000 (Rupees Twenty One Crores and Five Lacs only) divided into 10,52,50,000 (Ten Crores Fifty Two Lacs Fifty Thousand only) Equity Shares of Rs 2/- (Rupees Two only) each, with rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company. The Company shall have the power to increase or reduce its capital for the time being and to consolidate, divide or sub-divide and re-classify the shares in such capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as to dividend, voting or otherwise and to vary, modify or abrogate any such rights, privileges or conditions in accordance with the provisions of the Act and Articles of the Company and issue Shares of higher or lower denominations."*²

- 2.2 However, it is clarified that in the event that the Companies restructure or increase their authorised share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the clause of Memorandum of Association of the Amalgamated Company 2 reproduced in Clause 2.1 above shall be amended accordingly to take into account the effect of any such corporate actions.
- 2.3 It is further clarified that the approval of the members of the Amalgamated Company 2 to the Scheme shall be deemed to be their consent/ approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association, under the provisions of Section 13 and 62 of the 2013 Act and other applicable provisions of the 2013 Act and 1956 Act.

² The post amalgamation combined authorised share capital of Carbogen Amcis (India) Limited is subject to change pursuant to approval of bonus issue by the shareholders of Dishman Pharmaceuticals and Chemicals Limited.

3.0 Change of Name of Amalgamated Company 2

Upon this Scheme becoming effective, the name of Amalgamated Company 2 shall be deemed to have been changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited" in accordance with Section 13 of the 2013 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable. It is hereby clarified that for the purposes of this clause, the consent of the shareholders of the Amalgamated Company 2 and Amalgamating Company 2 to this Scheme shall be deemed to be sufficient for the purposes of effecting the name change and that no further resolution under Section 13 of 2013 Act or any other applicable provisions of the 1956 Act or the 2013 Act, as applicable, would be required to be separately passed. Pursuant to this Scheme, the Amalgamated Company 2 shall file the requisite forms with the Registrar of Companies for change of its name.

4.0 Change in Object Clause of Amalgamated Company 2

4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Amalgamated Company 2 shall stand amended.

4.2 The following sub clause shall be inserted after sub-clause 1 Clause III A of the Main Object of the Memorandum of Association of the Amalgamated Company 2:

- "2. To carry on business of manufacturers, dealers, buyers, sellers, importers and exporters of pharmaceuticals, medical and chemical preparations (including synthetic and other vitamin preparations) and drugs, compounds such as yeats, vitamins, hormones, protein, aminoacids, preparations containing minerals and medicines.
3. To manufacture, buy, sell, import, export and otherwise deal in all types of medical and Surgical instruments, equipments, tools and machineries.
4. To carry on the business either itself and/or for others as manufacturers, representatives, dealers, factors, agents, stockists, suppliers, consultants, exporters, importers, traders, wholesalers, retailers, packers, general druggists, distributors, to markets, assemble distribute/redistribute, pack, repack, store all kinds, types, nature and description of pharma formulators in compressed tablet manufacturing, Simultaneously, bulk drug, liquid drugs, drug intermediates, fine chemicals, dyes intermediates, custom synthesis, pharmaceutical formulations, medicines, common medical preparations, disinfection formulation, spirits, mixtures, powder, medicates, cosmetics, tablets, pills, capsules, antibiotic, vitamins, multi vitamins, vitamin preparations, medicine coating, contraceptives, vaccines, veterinary medicines and preparations, tinctures, inactions, water for injections, ointments, lotions, triturations, globules, tonics in the form of injectable and transfusion solutions, compounds, syrups, granules, drops, platers, adhesives, inhaler, inharub, health products, mother tinctures, glucose, nourishment foods, auxiliaries for human and/or animals, birds, insects, consumption and application prescribed under any branch of medicine including allopathy, homeopathy, herbal, ayurved, unani, naturopathy osteopathy for oral, intra muscular, intra dermal, parenteral and external application under any therapy for whatever purposes such as prevention, cure prophylactic and nourishments."

4.3 It shall be deemed that the members of the Amalgamated Company 2 and Amalgamating Company 2 have also resolved and accorded all relevant consents under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable, for the amendments of the Memorandum of Association of the Amalgamated Company 2 as above. Pursuant to this Scheme, the Amalgamated Company 2 shall file the requisite forms with the Registrar of Companies for alteration of its main objects and the consequent amendment of the Memorandum of Association.

5.0 Conditions to effectiveness of the Scheme

5.1 The Scheme is conditional upon and subject to:

- (i.a) this Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, as applicable, of the Companies as required under the 1956 Act or the 2013 Act, as applicable, and the requisite order of the High Court being obtained, or dispensation having been received from the High Court in relation to obtaining such consent from the shareholders and/or creditors, as applicable;
- (i.b) such other approvals and sanctions including sanction of any Governmental Authority including the RBI, as may be required by law or material contract in respect of the Scheme;
- (i.c) the High Court having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to the Companies; and
- (i.d) such certified/authenticated copy of the Order of the High Court being filed with the Registrar of Companies, Ahmedabad.

5.2 In case any of the conditions in the Scheme are not satisfied or waived, then the Companies shall be at liberty to withdraw the Scheme.

6.0 Dividend

6.1 The Companies 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.

6.2 The holders of the shares of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

6.3 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 Companies to demand or claim any dividends which, subject to the provisions of the 1956 Act or the 2013 Act, as applicable, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and subject to the approval, if required, of the respective members of the Companies.

7.0 Applications

7.1 The Companies shall make necessary applications before the High Court for the sanction of this Scheme under Sections 391 to 394, Section 100 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act, as applicable, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective shareholders and/or creditors and for sanctioning this Scheme with such modifications, as may be approved by the Court.

7.2 The Amalgamated Company 2 shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Amalgamated Company 2 may require to carry on the business of the Amalgamating Companies.

8.0 Modifications to the Scheme

The Companies (by their 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 High Court and/or any other Governmental Authority may deem fit 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 Companies 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 purposes 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; or
- (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 pertains to the Amalgamating Companies or not, on the basis of any evidence that they may deem relevant for this purpose.

9.0 When the Scheme comes into operation

9.1 The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date. It is clarified that sequentially the Scheme shall come into effect Chapter-wise i.e. Chapter 2, followed by Chapter 3 and thereafter Chapter 4.

9.2 With effect from the Effective Date, the Amalgamated Company 2 shall carry on and shall be authorized to carry on the businesses of the Amalgamating Companies. For the purposes of giving effect to the order of the High Court under Section(s) 391 to 394, Section 100 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act as applicable, approving the Scheme, the Amalgamated Company 2 shall at any time pursuant to such orders be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Amalgamating Companies in accordance with the provisions of the Section(s) 391 to 394 of the 1956 Act or the relevant provision of the 2013 act as applicable. The Amalgamated Company 2 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.

9.3 The Amalgamated Company 2 shall be entitled to, amongst other, file/ or revise its income tax returns, TDS/TCS returns, wealth tax returns, service tax, excise, VAT, entry tax, professional tax or any other statutory returns, if required, claim credit for advance tax paid, tax deducted 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 Amalgamated Company 2 previously disallowed in the hands of Amalgamating Companies under the Income Tax Act, credit of tax under Section 115JB read with Section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld etc., if any, pertaining to the Amalgamating Companies 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 Amalgamated Company 2 shall have the right 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, or on behalf of, the Amalgamating Companies relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Amalgamated Company 2 and the Amalgamated Company 2 shall be entitled to claim credit or refund for such taxes or duties.

9.4 Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Amalgamating Companies, including any taxes paid and taxes deducted at source and deposited by the Amalgamating Companies on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Amalgamated Company 2 and shall be available to the Amalgamated Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by the Amalgamating Companies on transactions other than inter se transactions during the period between Appointed Date and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Amalgamated Company 2. Any TDS deducted by, or on behalf of, the Amalgamating Companies on inter se transactions will be treated as tax deposited by the Amalgamated Company 2.

9.5 Transfer and vesting of assets and liabilities of the Transferor Company and Amalgamating Companies (including intangible assets, whether or not recorded in the books) as the case may be in terms of Chapter 2, 3 and 4 is not a sale in the course of business or otherwise.

10.0 Severability

10.1 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.

10.2 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Companies and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

11.0 Costs

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by the Companies in relation to or in connection with the Scheme and incidental to the completion of the Slump Sale and Amalgamation in pursuance of the Scheme shall be borne by Amalgamating Company 2 and/or Amalgamated Company 2 as the case may be.



February 23, 2016

The Board of Directors
Dishman Pharmaceuticals & Chemicals Limited
Bhadr-Raj Chambers,
Swastik Cross Road, Navrangpura,
Ahmedabad - 380009, Gujarat

Dear Members of the Board,

Centrum Capital Ltd have been informed that the Board of Directors of Dishman Pharmaceuticals & Chemicals Ltd ("DPCL"), Dishman Care Ltd ("DCL") and Carbogen Amcis (India) Ltd ("CAIL") are considering Scheme of Arrangement & Amalgamation with effect from the Appointed Date of January 1st 2015

This Scheme of Arrangement & Amalgamation ("Scheme") provides for:

- (i) Transfer and vesting of ETP Undertaking (as defined hereinafter) of DPCL into CAIL by way of Slump Sale (as defined hereinafter)
- (ii) Amalgamation of DCL with DPCL pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956
- (iii) Amalgamation of DPCL with CAIL pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956
- (iv) Subject to satisfactory fulfilment and accomplishment of (i), (ii) and (iii) above, reduction in the share capital of DCL & DPCL under the provisions of Sections 100-104 of the Companies Act, 1956.
- (v) Subject to satisfactory fulfilment and accomplishment of (i), (ii), (iii) and (iv) above, change of name of CAIL to Dishman Carbogen Amcis Limited.

The total consideration for transfer of the ETP undertaking of DPCL to CAIL shall be Rs.15 Crs.

No consideration for amalgamation of DCL with DPCL as DCL is a wholly owned subsidiary of DPCL & hence upon the Scheme being effective and dissolution of DCL the equity shares held by DPCL in DCL shall be cancelled and stand extinguished.

The consideration for amalgamation of DPCL into CAIL shall be "1 (One) Equity Share of the face value of Rs.2/- each of CAIL, for every 1 (One) Equity Share of the face value of Rs.2/- each held in DPCL"

In connection with the aforesaid DPCL has appointed Centrum Capital Ltd ("Centrum") to provide fairness opinion on Valuation report dated February 23, 2016 submitted by M/s Sharp and Tannan, Chartered Accountants ("Valuer") an Independent Chartered Accountant with respect to the Scheme of Arrangement & Amalgamation

BACKGROUND

Dishman Pharmaceuticals and Chemicals Limited: DPCL is a public company limited by shares incorporated in 1983 under the provisions of the Companies Act, 1956. The issued & paid up equity share capital of DPCL as on 31st December 2015 was Rs. 16,13,94,272 divided into 8,06,97,136 equity shares of Rs. 2/- each and listed on BSE Ltd. and National Stock Exchange of India Limited.

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Fax: +91 22 4215 9533 / 9316 website: www.centrum.co.in Registered Office: 2nd Floor, Bombay Mutual Building, Dr. D N Road
Fort, Mumbai - 400 001 Tel: +91 22 2266 2434 Fax: +91 22 2261 1105 email: info@centrum.co.in website: www.centrum.co

CENTRUM

The company is engaged in following

- Contract Research and Manufacturing Services
- Manufacture and supply of marketable molecules such as specialty chemicals, vitamins & chemicals and disinfectants

Dishman Care Ltd: DCL is a limited non-listed company, incorporated in 2010. It is a wholly owned subsidiary of DPCL with its registered office in Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat. The issued & paid-up equity share capital of DCL as on 31st December 2015 was Rs. 5,00,000 divided into 250,000 equity shares of Rs. 2/- each.

The company is engaged in engaged in market research, development and marketing of disinfectant products to be manufactured by Dishman Pharmaceuticals and Chemicals Limited.

Carbogen Amcis (India) Ltd: CAIL is a limited non-listed company incorporated in 2007. It is a wholly owned subsidiary of DPCL with its registered office in Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat. The issued & paid-up equity share capital of CAIL as on 31st December 2015 was Rs. 5,00,000 divided into 250,000 equity shares of Rs. 2/- each

The company is engaged in engaged in research and development, including regulatory filings of certain pharmaceutical molecules for some of the overseas subsidiaries of Dishman Pharmaceuticals and Chemicals Limited

ETP Undertaking shall mean DPCL's undertaking, business, activities and operations pertaining to its Water Treatment Systems - Effluent Treatment Plants ("ETP") for treatment of Low COD (Chemical Oxygen Demand) waste at Bavla, ETP for treatment of High COD waste at Bavla (termed as Zero Discharge System) and ETP for treatment of Low COD waste at Naroda, and shall also include but not limited to the following:

- All assets (wherever situated), whether movable or immovable including land and building, capital work in progress, tangible or intangible, real or personal, corporeal and incorporeal, including furniture, fixtures, vehicles, stocks and inventory, office equipment, appliances, accessories, unquoted investments, leasehold assets, easements and other properties, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, together with all present and future liabilities (including contingent liabilities, if any) pertaining to the ETP Undertaking;
- All rights, entitlements, approvals, licenses, consents, permissions, brands, logos, engagements, arrangements, municipal permissions belonging to or proposed to be utilized for the ETP Undertaking;
- All secured and unsecured debts, liabilities (including contingent liabilities), duties, undertakings and obligations pertaining to the ETP business of every kind, nature and description whatsoever and howsoever arising in connection with or relating to the ETP Undertaking;
- All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders or other instruments of whatsoever nature to which DPCL is a party, exclusively relating to ETP Undertaking,

business, activities and operations pertaining to its ETP Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the DPCL in relation to its ETP Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, if any, and all other rights, title, interests, privileges and benefits of every kind in relation to its ETP Undertaking;

- All registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the DPCL in ETP Undertaking, business, activities and operations pertaining to the ETP Undertaking;
- All employees of DPCL employed in the ETP Undertaking as identified by the Board of Directors of DPCL, as on the Effective Date;
- All records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, labels lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the ETP Undertaking.

RATIONALE OF THE PROPOSED SCHEME OF ARRANGEMENT & AMALGAMATION

This Scheme is expected to enable better realisation of potential of the businesses of the Companies and yield beneficial results and enhanced value creation for the Companies, their respective shareholders, creditors and employees. The rationale for the proposed Scheme is set out below:

- Consolidation of the business and simplification of the group structure. Further, the amalgamation will provide a high level of synergistic integration of operations and better operational management.
- Through the "One Company, Two Brands" strategy, the group has been delivering complex solutions suiting the diverse needs of the global customers. The proposed Scheme re-emphasises the strategy of "One Company, Two Brands" with both "Dishman" and "Carbogen Amcis" brands being reflected in the trade name of one company.
- Synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements (as all as assets, tangible and intangible, including those not recorded in the books of the amalgamating company, and liabilities of the amalgamating company shall be taken over by the amalgamated company and recorded at their respective fair values), leading to improved alignment of debt and enhancement in earnings and cash flow.
- The amalgamated company would be able to better leverage on its large network base and have enhanced business potential and increased capability to offer a wider portfolio of products and services with a diversified resource base and deeper client relationships.

CENTRUM

- It would result in financial resources being efficiently merged and pooled leading to more effective and centralised management of funds, greater economies of scale, stronger base for future growth and reduction of administrative overheads (i.e. cost rationalization), which are presently being divided and dissipated between multiple separate entities. The amalgamation shall lead to greater efficiency in management of the businesses, simplicity and reduction in regulatory compliances and cost.
- It will improve and consolidate internal controls and functional integration at various levels of the organisation such as information technology, human resources, finance, legal and general management leading to an efficient organisation capable of responding swiftly to volatile and rapidly changing market scenarios.
- It will facilitate debt consolidation which will improve the debt servicing abilities through improved cash flows.
- It would enhance the value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of DPCL built up over approximately three decades of experience, enhanced scale of operations and sharper focus.

BASIS OF OPINION

The scheme provides for the following

- Slump Sale of the ETP Undertaking from DPCL to CAIL as a going concern; ("Slump Sale"):** Based on the valuation report of the Fair Market value of the assets and liabilities comprised in the ETP Undertaking provided, the value of the ETP Undertaking is Rs. 15 Crs.
- Amalgamation of DCL with DPCL:** As a consideration for amalgamation no new shares will be issued as DCL is a wholly owned subsidiary of DPCL & hence upon the Scheme being effective and dissolution of DCL the equity shares held by DPCL in DCL shall be cancelled and stand extinguished.
- Amalgamation of DPCL with CAIL:** DPCL holds 100% of the paid up capital of CAIL. Hence upon the Scheme being effective and dissolution of DPCL, the equity shares held by DPCL in CAIL shall be cancelled and stand extinguished. As a consideration for the transfer, equity shares of CAIL shall be issued to the equity shareholders of DPCL and the same shall rank pari-passu. The existing equity share capital of CAIL shall be cancelled and the shareholders of DPCL will become the only shareholders of CAIL, thus CAIL will then get a mirror reflection in the capital structure as that of DPCL.

The exchange ratio is based on the Valuation report dated February 23, 2016 submitted by M/s Sharp and Tannan, Chartered Accountants an Independent Chartered Accountant.

Centrum has taken the foregoing facts (together with the other facts and assumptions set forth in the section Limitation of Scope and Review) into account when determining the meaning of "fairness" for the purpose of this opinion.

LIMITATION OF SCOPE AND REVIEW

The Fairness Opinion only aims to represent that the Swap Ratio as contained in the Opinion is fair and further that the Fairness Opinion shall be valid only for a limited period of time post Centrum's assessment of the relevant information. The Fairness Opinion may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity. Fairness Opinion assessment and the Opinion is specific to the date of this report. As such, the Opinion is, to a significant extent, subject to continuance of current trends beyond the date of the report.

Centrum's opinion and analysis is limited to the extent of review of documents as provided to Centrum by DPCL, DCL and CAIL including the Valuation report dated February 23, 2016, submitted by the Valuer and the draft Scheme

Centrum has relied upon the accuracy and completeness of all information and documents provided including Audited Annual Accounts of DPCL, DCL and CAIL for period FY 2012-13 to FY 2014-15, - limited review financial results of DPCL, audited financial results of DCL and CAIL for nine-month ended December 31, 2015 and Financial Projections as provided by DPCL without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. Centrum has not conducted any independent valuation or appraisal of any of the assets or liabilities of DPCL and/or its subsidiaries. In particular Centrum does not express any opinion as to the value of any asset of DPCL and/or its subsidiaries whether at current prices or in the future.

No investigation of the Companies claim to title of assets has been made for the purpose of the exercise and the Companies claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. No due diligence into any right, title or interest in property or assets was undertaken and no responsibility is assumed in this respect or in relation to legal validity of any such claims.

Centrum's opinion is not and should not be construed as Centrum's opining or certifying the compliance of the proposed Arrangement and Amalgamation with the provisions of any law including companies, taxation and related laws or as regards any legal implications or issues arising from such proposed amalgamation.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Centrum does not express any opinion as to the price at which shares of DPCL may trade at any time, including subsequent to the date of this opinion. In rendering the opinion Centrum has assumed that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions and that in course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have adverse effect on DPCL and/or its subsidiaries and their respective shareholders.

Centrum has also not opined on the fairness of any terms and conditions of the Scheme other than the fairness, from financial point of view, of the consideration for the slump sale and the share exchange ratio for the purpose of amalgamation. We acknowledge that this Fairness Opinion will be shared to the extent as may be required, with relevant High Court/Tribunal, stock exchanges, advisors of the Companies as well as with statutory authorities in relation to the proposed Scheme.

Centrum assume no responsibility for updating or revising its opinion based on circumstances or events occurring after the date hereof. Centrum's opinion is specific to arrangement and

CENTRUM

amalgamation as contemplated in the Scheme as provided to Centrum and is not valid for any other purpose. It is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein.

Save and except for DPCL, Centrum owes no responsibility to any person in connection with this Fairness Opinion. It may be noted that Centrum's liability in connection with this Fairness Opinion shall be limited only to the extent of fees received for the purpose of this engagement. Centrum does not accept any liability to any third party in relation to the issue of this Fairness Opinion. Neither this Fairness Opinion nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without Centrum's prior written consent. Centrum retains the right to deny permission for the same.

In the ordinary course of business, Centrum and its affiliates are engaged in securities trading, securities brokerage and investment activities as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Centrum and its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the proposed Scheme.

VALUER'S RECOMMENDATION

The total consideration for transfer of the ETP undertaking of DPCL to CAIL shall be Rs.15 Crs

No consideration for amalgamation of DCL with DPCL as DCL is a wholly owned subsidiary of DPCL & hence upon the Scheme being effective and dissolution of DCL the equity shares held by DPCL in DCL shall be cancelled and stand extinguished.

Consideration for amalgamation of DPCL with CAIL will be 1 (One) Equity Share of the face value of Rs.2/- each of CAIL, for every 1 (One) Equity Share of the face value of Rs.2/- each held in DPCL.

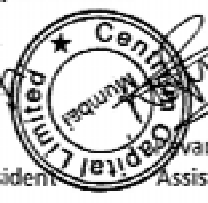
OPINION

Having regard to all relevant factors, on the basis of information provided and explanations given to Centrum by the Companies and Valuer, Centrum is of the opinion on the date hereof to the best of its knowledge and belief, that the above recommendation by M/s Sharp & Tannan, Chartered Accountants is fair considering that all shareholders of DPCL are and will upon the Arrangement and Amalgamation be the ultimate beneficial owners of CAIL in exactly the same ratio as they hold in DPCL.

Yours truly,
For Centrum Capital Limited


Gaurav Saravgi
Senior Vice President


Anshuman Naik
Assistant Vice President



8th April, 2016

To, The Manager, Listing Department, National Stock Exchange of India Ltd. "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	To, Department of Corporate Services Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
Ref. : (i) Symbol – DISHMAN (ii) Series – EQ (iii) ISIN No: INE353G01020	Ref.: (i) Scrip Code No. : 532526 (ii) ISIN No: INE353G01020

Dear Sir / Madam,

Sub: Submission of Complaint Report

With reference to our application on scheme of arrangement and amalgamation among Dishman Pharmaceuticals and Chemicals Limited, Dishman Care Limited and Carbogen Amcis (India) Limited please find enclosed herewith the complaints report dated 8th April 2016 for the period from 17th March, 2016 to 7th April, 2016 as per format prescribed in Annexure III of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015.

Kindly take this on your record.

For Dishman Pharmaceuticals and Chemicals Ltd

Harshil Dalal**Sr. V.P. (Finance & Accounts)**

End : As above

Dishman Pharmaceuticals and Chemicals Limited

Registered Office: Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad – 380 009 India

Tel: +91 (0) 79 26443053 / 26445807 Fax: +91 (0) 79 26420198

Email: dishman@dishmangroup.com Web: www.dishmangroup.com

Government Recognised Export House

CIN NO L24230GJ1983PLC006329



Complaint Report

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock exchanges	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part A

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
N.A.			

Date : 8th April, 2016

Place : Ahmedabad

For Dishman Pharmaceuticals and Chemicals Ltd



Harshil Dalal

Sr. V.P. (Finance & Accounts)

Dishman Pharmaceuticals and Chemicals Limited

Registered Office: Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380 009 India.

Tel: +91 (0) 79 26443053 / 26445807 Fax: +91 (0) 79 26420198

Email: dishman@dishmangroup.com Web: www.dishmangroup.com

Government Recognised Export House

CIN NO L24230GJ11983PLC006329

DCS/AMAL/MN/24(f)/385/2016-17
May 12, 2016

The Company Secretary
Dishman Pharmaceuticals & Chemicals Ltd.
Bhadra Raj Chambers, Swastik Cross Road,
Navrangpura, Ahmedabad, Gujarat, 380009.



Sub: Observation letter regarding the Draft Scheme of Arrangement between Dishman Pharmaceuticals & Chemicals Ltd, Carbogen Amics (India) Limited and Dishman Care Limited.

We are in receipt of Draft Scheme of Arrangement between Dishman Pharmaceuticals & Chemicals Ltd, Carbogen Amics (India) Limited and Dishman Care Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated May 11, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- *"Company shall duly comply with various provisions of the Circulars."*

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

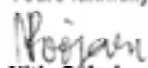
Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-a-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

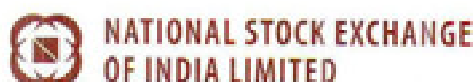
Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 | E: corp.com@bseindia.com | www.bseindia.com
Corporate Identity Number : U67120PH2005PLC155185



Ref: NSE/LIST/72666

May 12, 2016

The Sr. V. P. (Finance & Accounts)
Dishman Pharmaceuticals and Chemicals Limited
Bhadr Raj Chambers,
Swastik Cross Roads, Navrangpura,
Ahmedabad - 380009

Kind Attn.: Mr. Harshil Dalal

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited and Carbogen Amcis (India) Limited and Dishman Care Limited and their respective shareholders and creditors

This has reference to draft Scheme of Arrangement and Amalgamation (Under Sections 391 To 394 Read With Section 100 and other Applicable Provisions of The Companies Act, 1956 and Companies Act, 2013) amongst Dishman Pharmaceuticals and Chemicals Limited and Carbogen Amcis (India) Limited and Dishman Care Limited and their respective shareholders and creditors submitted to NSE vide letter dated March 8, 2016.

Based on our letter reference no Ref: NSE/LIST/69706 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI vide letter dated May 11, 2016, has commented that *"The Company shall duly comply with various provisions of the Circular"*.

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the listing of equity shares of Carbogen Amcis (India) Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. Further, Carbogen Amcis (India) Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing such company and also comply with other applicable statutory requirements. However, the listing of shares of Carbogen Amcis (India) Limited is at the discretion of the Exchange.

The listing of Carbogen Amcis (India) Limited, pursuant to the Scheme of Amalgamation shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Carbogen Amcis (India) Limited and its group companies in line with the disclosure requirements applicable for public through website of the Company.

I.



Continuation Sheet

2. To publish an advertisement in the newspaper containing all the information about Carbogen Amcis (India) Limited in line with the details required as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all material information about Carbogen Amcis (India) Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosure about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - a. "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
 - b. "There shall be no change in the shareholding pattern or control in Carbogen Amcis (India) Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from May 12, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme.
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable, and
- f. Complaints Report as per Annexure III of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Samir Naringrekar
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

2.



Signer: Samir Naringrekar
Date: May 12, 2016 21:12:50 CMT+05:30
Location: NSE

INSTRUCTION FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Tuesday, 2nd August, 2016 at 9:00 a.m.** and ends on **Thursday, 4th August, 2016 at 5:00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. Friday, 29th July, 2016** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Notice/Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the **EVSN 160702010** for the relevant **"Dishman Pharmaceuticals and Chemicals Limited"** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.



Dishman Pharmaceuticals and Chemicals Limited

CIN : L24230GJ1983PLC006329

Regd. Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009, Gujarat

Tel. No.: 91-79-26443053, 26445807, Fax No.: 91-79-26420198

Email: grievance@dishmangroup.com Website: www.dishmangroup.com

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORDINARY ORIGINAL JURISDICTION

COMPANY APPLICATION NO. 279 OF 2016

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 and other relevant provisions of Companies Act, 1956 and Companies Act, 2013;

And

In the matter of the Scheme of Arrangement and Amalgamation amongst:

Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited;

Dishman Pharmaceuticals and Chemicals Limited,

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat.

.... Applicant Company

FORM OF PROXY FOR MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

[Form No. MGT-11 Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member	
Registered Address	
Email ID	
Folio No./ Client ID	
DP ID	

I/We, the undersigned being the equity shareholder of the above company hereby appoint

1. Name: _____,
Address: _____,
Email ID: _____, Signature: _____ or failing him
2. Name: _____,
Address: _____,
Email ID: _____, Signature: _____ or failing him
3. Name: _____,
Address: _____,
Email ID: _____, Signature: _____

as my/our proxy, to act for me/us at the Court convened meeting of Equity Shareholders of the Applicant Company to be held at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat, on Friday, the 5th day of August, 2016, at 10:00 a.m., for the purpose of considering and if thought fit, approving with or without modification, Scheme of Arrangement and Amalgamation proposed to be made amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited and at such meeting and any adjournment thereof, to vote, for me/us and in my/our name _____ (here, 'if for', insert 'for'; and 'if against', insert 'against' and in the latter case strike out the words below after 'Scheme of Arrangement and Amalgamation') the said Scheme of Arrangement and Amalgamation either with or without modification as my/our proxy may approve.

[Strike out what is not necessary]

Signed this _____ day of _____, 2016

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix
Re.1/-
Revenue
Stamp

Notes:

- 1) The Proxy Form must be deposited at the Registered Office of the Applicant Company at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat, at least 48 hours before the time for holding the meeting.
- 2) The proxy need not be a member of the Applicant Company.
- 3) All alterations made in the Form of Proxy should be initialled.

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Dishman Pharmaceuticals and Chemicals Limited

CIN : L24230GJ1983PLC006329

Regd. Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009, Gujarat

Tel. No.: 91-79-26443053, 26445807, Fax No.: 91-79-26420198

Email: grievance@dishmangroup.com Website: www.dishmangroup.com

ATTENDANCE SLIP

I hereby record my presence at the Court convened meeting of the Equity Shareholders of the Company, convened on Friday, the 05th day of August, 2016, at 10:00 a.m. at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015, Gujarat.

NAME OF THE MEMBER (In Block Letters)	
REGISTERED ADDRESS (In Block Letters)	
EMAIL ID	
FOLIO NO./ CLIENT ID	
DP ID	
NO. OF SHARES	

Name and Address of the Proxy (to be filled in by the proxy attending instead of the Equity Shareholder):

NAME (In Block Letters)	
ADDRESS (In Block Letters)	
EMAIL ID	

Signature of the Equity Shareholder / Proxy

NOTE: Equity Shareholders attending the Meeting in person or through Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

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Dishman Pharmaceuticals and Chemicals Limited

CIN : L24230GJ1983PLC006329

Regd. Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009, Gujarat

Tel. No.: 91-79 26443053, 26445807, **Fax No.:** 91-79-26420198

Email: grievance@dishmangroup.com **Website:** www.dishmangroup.com

COURT CONVENED MEETING OF THE SECURED CREDITORS

Day	Friday
Date	05th August, 2016
Time	10:30 a.m.
Venue	Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat

INDEX OF CONTENTS

Sr. No.	Contents	Page Nos.
1.	Notice for Court Convened Meeting of Secured Creditors of Dishman Pharmaceuticals and Chemicals Limited ("the Company")	3
2.	Explanatory Statement pursuant to Section 393 of the Companies Act, 1956	4
3.	Scheme of Arrangement and Amalgamation under Sections 391 to 394 read with Section 100 and other relevant provisions of Companies Act, 1956 and Companies Act, 2013 amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited, Dishman Care Limited and their respective shareholders & creditors.	11
4.	Copy of Fairness Opinion dated February 23, 2016 obtained from M/s. Centrum Capital Limited, Merchant Bankers	32
5.	Copy of Complaints Report dated April 8, 2016 submitted by the Company to BSE and NSE and also uploaded on the Company Website	39
6.	Copy of Observation Letter dated May 12, 2016 received from BSE Limited ('BSE') conveying no objection for filing the Scheme with the Gujarat High Court	41
7.	Copy of Observation Letter dated May 12, 2016 received from National Stock Exchange of India Limited ('NSE') conveying no objection for filing the Scheme with the Gujarat High Court	43
8.	Form of Proxy	45
9.	Attendance Slip	47

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Dishman Pharmaceuticals and Chemicals Limited

CIN : L24230GJ1983PLC006329

Regd. Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009, Gujarat

Tel. No.: 91-79-26443053, 26445807, Fax No.: 91-79-26420198

Email: grievance@dishmangroup.com Website: www.dishmangroup.com

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 279 OF 2016**

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 and other relevant provisions of Companies Act, 1956 and Companies Act, 2013;

And

In the matter of the Scheme of Arrangement and Amalgamation amongst:

Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited;

Dishman Pharmaceuticals and Chemicals Limited,

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat.

.... Applicant Company

APPLICANT'S NOTICE FOR CONVENING MEETING OF THE SECURED CREDITORS OF THE APPLICANT COMPANY

To,
The Secured Creditors of Dishman Pharmaceuticals and Chemicals Ltd.

TAKE NOTICE THAT by an order made on 27/06/2016, the Hon'ble High Court of Gujarat has directed that a meeting of the Secured Creditors of the Applicant Company be held at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat, on Friday, the 5th day of August, 2016, at 10:30 a.m., for the purpose of considering and if thought fit, approving with or without modification, the Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited.

TAKE FURTHER NOTICE THAT in pursuance of the said order, a meeting of the Secured Creditors of the Applicant Company will be held at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat, on Friday, the 5th day of August, 2016, at 10:30 a.m., when you are requested to attend.

TAKE FURTHER NOTICE THAT you may attend and vote at the said meeting in person or by proxy, provided, that a proxy in the prescribed form duly signed by you is deposited at the registered office of the Applicant Company at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat, not later than 48 hours before the meeting.

This Court has appointed Shri Janmejy R. Vyas, and failing him, Shri Arpit J. Vyas, to be the chairman of the said meeting. The abovementioned arrangement, if approved by the meeting, will be subject to the subsequent approval of the Hon'ble High Court of Gujarat.

The following are enclosed herewith:

- a) Scheme of Arrangement and Amalgamation
- b) Explanatory statement under section 393
- c) Fairness Opinion
- d) Complaints Report filed with the Stock Exchanges
- e) Observation Letters of BSE Ltd and National Stock Exchange of India Ltd.
- f) Form of proxy
- g) Attendance Slip

Dated this 7th day of July, 2016.

Registered Office:

Bhadr-Raj Chambers, Swastik Cross Roads,
Navrangpura, Ahmedabad – 380 009.

Mr. Janmejy R. Vyas
Chairman appointed for the meeting

Note:

- (1) All alterations made in the form of the proxy should be initialled.
- (2) The authorised representative of a body corporate which is a Secured Creditor of the Applicant Company may attend and vote at the Secured Creditors' meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Secured Creditors' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
- (3) A SECURED CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Applicant Company not less than 48 hours before the meeting.

Enclosed: as above

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 279 OF 2016**

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 and other relevant provisions of Companies Act, 1956 and Companies Act, 2013;

And

In the matter of the Scheme of Arrangement and Amalgamation amongst:

Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited;

Dishman Pharmaceuticals and Chemicals Limited,

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat.

.... Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 TO THE NOTICE OF THE COURT CONVENED MEETING OF THE SECURED CREDITORS OF THE APPLICANT COMPANY, FOR CONSIDERING AND APPROVING SCHEME OF AMALGAMATION AND ARRANGEMENT AMONGST DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED; CARBOGEN AMCIS (INDIA) LIMITED AND DISHMAN CARE LIMITED

1. This is a statement accompanying the Notice convening the meeting of the Secured Creditors of the Applicant Company, to be held at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015, Gujarat, on Friday, the 5th day of August, 2016, at 10:30 a.m., pursuant to Order dated June 27, 2016 passed by the Hon'ble High Court of Gujarat at Ahmedabad, for the purpose of considering, and if thought fit, approving, with or without modifications, the Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited ("**Applicant Company**" or "**DPCL**"); Carbogen Amcis (India) Limited ("**CAIL**") and Dishman Care Limited ("**DCL**"). The definitions contained in the Scheme shall also apply to this Explanatory Statement.
2. A copy of the Scheme setting out in detail, the terms and conditions of the Arrangement and Amalgamation, *inter alia*, providing for Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited; which has been duly approved by the Board of Directors of the Applicant Company, CAIL and DCL at their respective meetings held on 24th day of February 2016, is attached to this Explanatory Statement.
3. The resolution to be passed at the said meeting will read as follows:

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and enabling provisions in the Company's Memorandum of Association and Articles of Association and subject to the sanction of the High Court of Judicature at Gujarat at Ahmedabad and other regulatory authorities, if any, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Company, the proposed Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited ('the Scheme' or 'this Scheme'), placed before this meeting, be and is hereby approved;

RESOLVED FURTHER THAT Mr. Janmejy R. Vyas, Chairman & Managing Director, Mr. Arpit J. Vyas, Managing Director & Chief Financial Officer and Mr. Harshil Dalal, Sr. Vice President, Finance & Accounts, be and are hereby severally authorized to do all such acts, deeds and things as are considered requisite or necessary to effectively implement the Scheme and to accept such modification(s) and / or condition(s), if any, which may be required and / or imposed by the Hon'ble High Court of Judicature at Gujarat at Ahmedabad while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out the Scheme."

4. BACKGROUND OF THE COMPANIES:

4.1. Dishman Pharmaceuticals and Chemicals Limited (DPCL)

- (a) DPCL was incorporated on 29th June, 1983 under the provisions of Companies Act, 1956 (hereinafter referred to as "the Act"), having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat. The equity shares of DPCL are listed on National Stock Exchange of India Ltd. ("NSE") and BSE Ltd. ("BSE") (collectively, the "Stock Exchanges").
- (b) It is engaged in Contract Research and Manufacturing Services and manufacture and supply of marketable molecules such as specialty chemicals, vitamins & chemicals and disinfectants.
- (c) The Authorised, Issued, Subscribed and Paid up Share Capital of DPCL as on 31st May, 2016 is as under:

Share Capital	Amount (in Rs.)
Authorized	
16,50,00,000 Equity shares of Rs.2/- each	33,00,00,000
TOTAL	33,00,00,000
Issued, subscribed and paid-up	
16,13,94,272 Equity shares of Rs. 2/- each	32,27,88,544
TOTAL	32,27,88,544

There is no change in the share capital of DPCL since 31st May, 2016.

4.2 Dishman Care Limited (DCL)

- (a) DCL was incorporated on 19th March, 2010 under the provisions of the Act. DCL is an unlisted public limited company and its registered office is situated at 516, 5th Floor, Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat. The entire equity share capital of DCL is held by DPCL and its nominees.
- (b) It is engaged in market research, business development and marketing of disinfectant products to be manufactured by DPCL.
- (c) The Authorised, Issued, Subscribed and Paid up Share Capital of DCL as on 31st May, 2016 is as under:

Share Capital	Amount (in Rs.)
Authorized	
2,50,000 Equity Shares of Rs.2/- each	5,00,000
TOTAL	5,00,000
Issued, subscribed and paid-up	
2,50,000 Equity shares of Rs.2/- each	5,00,000
TOTAL	5,00,000

There is no change in the share capital of DCL since 31st May, 2016.

4.3 Carbogen Amcis (India) Limited (CAIL)

- (a) CAIL was incorporated on 17th July, 2007 under the provisions of the Act, having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380009. CAIL is an unlisted public limited company and its entire equity share capital is held by DPCL and its nominees.
- (b) It is engaged in research and development, including regulatory filings, of certain pharmaceutical molecules for some of the overseas subsidiaries of DPCL.
- (c) The Authorised, Issued, Subscribed and Paid up Share Capital of CAIL as on 31st May, 2016 was as under:

Share Capital	Amount (in Rs.)
Authorized	
50,00,000 Equity shares of Rs.2/- each	1,00,00,000
TOTAL	1,00,00,000
Issued, subscribed and paid-up	
2,50,000 Equity shares of Rs.2/- each	5,00,000
TOTAL	5,00,000

There is no change in the share capital of CAIL since 31st May, 2016.

5. RATIONALE OF THE SCHEME

- (i) Consolidation of the business and simplification of the group structure. Further, the amalgamation will provide a high level of synergistic integration of operations and better operational management.
- (ii) Through the “One Company, Two Brands” strategy, the group has been delivering complex solutions suiting the diverse needs of the global customers. The proposed Scheme re-emphasises the strategy of “One Company, Two Brands” with both “Dishman” and “Carbogen Amcis” brands being reflected in the trade name of one company.
- (iii) Synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements (as all assets, tangible and intangible, including those not recorded in the books of the amalgamating company, and liabilities of the amalgamating company shall be taken over by the amalgamated company and recorded at their respective fair values), and lead to improved alignment of debt and enhancement in earnings and cash flow.
- (iv) The amalgamated company would be able to better leverage on its large net worth base and have enhanced business potential and increased capability to offer a wider portfolio of products and services with a diversified resource base and deeper client relationships.
- (v) It would result in financial resources being efficiently merged and pooled leading to more effective and centralised management of funds, greater economies of scale, stronger base for future growth and reduction of administrative overheads (i.e. cost rationalization), which are presently being divided and dissipated between multiple separate entities. The amalgamation shall lead to greater efficiency in management of the businesses, simplicity and reduction in regulatory compliances and cost.
- (vi) It will improve and consolidate internal controls and functional integration at various levels of the organisation such as information technology, human resources, finance, legal and general management leading to an efficient organisation capable of responding swiftly to volatile and rapidly changing market scenarios.
- (vii) It will facilitate debt consolidation which will improve the debt servicing abilities through improved cash flows.
- (viii) It would enhance the value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of Dishman Pharmaceuticals and Chemicals Limited built up over approximately three decades of experience, enhanced scale of operations and sharper focus.

6. SALIENT FEATURES OF THE SCHEME

- 6.1 The Scheme of Arrangement and Amalgamation among DPCL, DCL and CAIL will take effect from “Appointed Date” i.e. 1st January, 2015 and *inter alia* provides for the following:
 - a) Transfer and vesting of the ETP Undertaking (as defined hereinafter) of DPCL into CAIL by way of slump sale;
 - b) Followed by, amalgamation of DCL into and with DPCL in accordance with Section 2(1B) of the Income Tax Act, 1961;
 - c) Followed by, amalgamation of DPCL into and with CAIL in accordance with Section 2(1B) of the Income Tax Act, 1961.

- 6.2 The term **“ETP Undertaking”** shall mean the Transferor Company's undertaking, business, activities and operations pertaining to its Water Treatment Systems - Effluent Treatment Plants (‘‘ETP’’) for treatment of Low COD (Chemical Oxygen Demand) waste at Bavla, ETP for treatment of High COD waste at Bavla (termed as Zero Discharge System) and ETP for treatment of Low COD waste at Naroda, and shall also include but not limited to the following:
- a) All assets (wherever situated), whether movable or immovable including land and building, capital work in progress, tangible or intangible, real or personal, corporeal and incorporeal, including furniture, fixtures, vehicles, stocks and inventory, office equipment, appliances, accessories, unquoted investments, leasehold assets, easements and other properties, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, together with all present and future liabilities (including contingent liabilities, if any) pertaining to the ETP Undertaking;
 - b) All rights, entitlements, approvals, licenses, consents, permissions, brands, logos, engagements, arrangements, municipal permissions belonging to or proposed to be utilized for the ETP Undertaking;
 - c) All secured and unsecured debts, liabilities (including contingent liabilities), duties, undertakings and obligations pertaining to the ETP business of every kind, nature and description whatsoever and howsoever arising in connection with or relating to the ETP Undertaking;
 - d) All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders or other instruments of whatsoever nature to which Transferor Company is a party, exclusively relating to ETP Undertaking, business, activities and operations pertaining to its ETP Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Transferor Company in relation to its ETP Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, if any, and all other rights, title, interests, privileges and benefits of every kind in relation to its ETP Undertaking;
 - e) All registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Transferor Company in ETP Undertaking, business, activities and operations pertaining to the ETP Undertaking;
 - f) All employees of the Transferor Company employed in the ETP Undertaking as identified by the Board of Directors of the Transferor Company, as on the Effective Date;
 - g) All records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, labels lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the ETP Undertaking.
- 6.3 The term **“Undertaking”** means and includes all the undertakings and entire business of the Amalgamating Company as a going concern, including, without limitation:
- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) whether or not recorded in the books of accounts of the Amalgamating Company, including, without limitation, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including overseas subsidiaries, furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Amalgamating Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company, whether in India or abroad;
 - (b) all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company;
 - (c) all contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Amalgamating Company are parties, including lease agreements, leave and license agreements, tenancy rights, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements/contracts with the supplier of goods and/or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Amalgamating Company is party;
 - (d) all intellectual property rights (including intangible assets and business or commercial rights), registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Amalgamating Company, whether or not recorded in the books of accounts of the Amalgamating Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer

credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Amalgamating Company, whether used or held for use by it;

- (e) all liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Amalgamating Company; and
- (f) any and all permanent employees, who are on the payrolls of the Amalgamating Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Amalgamating Company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Amalgamating Company.

6.4 Transfer and vesting of ETP Undertaking

- 6.4.1 Upon the Scheme becoming effective, with effect from the Appointed Date herein, the ETP Undertaking pursuant to the provisions of Section 391 and 394 of the 1956 Act and applicable provisions of 2013 Act shall stand transferred to and vested in the Transferee Company, as a going concern, without any further act or deed, as per the provisions contained herein, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to existing charges or *lis pendens*, if any, thereon.
- 6.4.2 The total consideration for transfer and vesting of the ETP Undertaking of the Transferor Company in the Transferee Company shall be Rs. 15 Crores (Rupees Fifteen Crores) as determined by the boards of directors of the Transferor Company and the Transferee Company based on the recommendation of the audit committee of the Transferor Company and valuation report of Sharp & Tannan, an independent chartered accountant and fairness report of Centrum Capital Limited, an independent merchant banker approved by the board of directors of the Transferor Company and Transferee Company.
- 6.4.3 The Transferee Company shall, upon this Scheme becoming effective, with effect from the Appointed Date record assets and Liabilities of the ETP Undertaking as vested in it pursuant to this Chapter 2 in accordance with an allocation report to be prepared in accordance with Accounting Standard - 10 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act.

6.5 Amalgamation of DCL into and with DPCL

- 6.5.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date and after giving effect to transfer of ETP Undertaking from DPCL to CAIL, the Undertaking of Amalgamating Company 1 shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394, Section 100 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Amalgamated Company 1, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of Amalgamated Company 1.
- 6.5.2 With effect from the Appointed Date and up to and including the Effective Date, the Amalgamating Company 1 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Amalgamated Company 1.
- 6.5.3 Upon the Scheme being effective and in consideration of the transfer of and vesting of the Undertaking of the Amalgamating Company 1 in the Amalgamated Company 1 pursuant to this Scheme, no shares shall be required to be issued and allotted in respect of the equity shares held by Amalgamated Company 1 in Amalgamating Company 1. The equity shares held by Amalgamated Company 1 in Amalgamating Company 1 shall be deemed to be cancelled and shall stand extinguished without any consideration, further act, deed or thing by Amalgamating Company 1 and Amalgamated Company 1.
- 6.5.4 The Amalgamated Company 1 shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company 1) and liabilities of the Amalgamating Company 1 vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard – 14.
- 6.5.5 Upon the Scheme becoming finally effective all legal proceedings by or against DCL shall be continued and be enforced by or against DPCL, as the case may be.
- 6.5.6 Upon the Scheme becoming effective, DPCL shall take over employees of DCL on the same terms as they are employed by DCL.
- 6.5.7 Pursuant to the Scheme being effective, DCL shall be dissolved without winding up pursuant to the provisions of Section 394 of the Companies Act, 1956.

6.6 Amalgamation of DPCL into and with CAIL

- 6.6.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date and after giving effect to transfer of ETP Undertaking of DPCL to CAIL and amalgamation of DCL into and with DPCL, the Undertaking of Amalgamating Company 2 shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394, Section 100 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company 2, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company 2.
- 6.6.2 With effect from the Appointed Date and up to and including the Effective Date, the Amalgamating Company 2 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Amalgamated Company 2.
- 6.6.3 The Amalgamated Company 2 shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Amalgamating Company 2 whose name is recorded in the register of members of the Amalgamating Company 2 on the Record Date in the following ratio:

“1 (One) fully paid up equity shares of Rs. 2 (Rupees Two) each of Amalgamated Company 2 for every 1 (One) fully paid equity share of Rs. 2 (Rupees Two) each held by such shareholder in Amalgamating Company 2.”
- 6.6.4 The Equity Shares so issued and allotted, shall rank paripassu in all respects with the existing Equity Shares of the Amalgamated Company 2.

- 6.6.5 The equity shares issued to the shareholders of DPCL will be listed and admitted for trading and the Amalgamated Company 2 shall comply with the requirements of the SEBI Circular and take all steps to get the equity shares issued pursuant to the Scheme listed on NSE and BSE on which the equity shares of the Amalgamating Company 2 are listed, in accordance with relevant regulations.
- 6.6.6 The equity shares in the Amalgamated Company 2 allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 6.6.7 There shall be no change in the shareholding pattern or control in the Amalgamated Company 2 between the record date and the listing which may affect the status of the approval by the Stock Exchanges.
- 6.6.8 The Amalgamated Company 2 shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company 2) and liabilities of the Amalgamating Company 2 vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard - 14. Equity shares of the Amalgamated Company 2 held by Amalgamating Company 2 shall not be recorded by the Amalgamated Company 2 as assets and shall be cancelled pursuant to Clause 14.
- 6.6.9 To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Amalgamating Company 2 and the Amalgamated Company 2 (including, without limitation, an amount of Rs. 15 Crores (Rupees Fifteen Crores) being the amount outstanding to be discharged by the Amalgamated Company 2 to the Amalgamating Company 2 as consideration upon transfer of ETP Undertaking), the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Amalgamated Company 2 as well as Amalgamating Company 2 for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 6.6.10 Upon this Scheme becoming effective, the name of Amalgamated Company 2 shall be deemed to have been changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited" in accordance with Section 13 of the 2013 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable.
- 6.6.11 Upon the Scheme becoming finally effective all legal proceedings by or against DPCL shall be continued and be enforced by or against CAIL, as the case may be.
- 6.6.12 Upon the Scheme becoming effective, CAIL shall take over employees of DPCL on the same terms as they are employed by DPCL.
- 6.6.13 The Scheme is conditional on and subject to the sanction of the Authorities concerned, approval by the requisite majority of the shareholders and creditors and sanctions of the High Court of Judicature at Gujarat, as may be required.
- 6.6.14 Pursuant to the Scheme being effective, DPCL shall be dissolved without winding up pursuant to the provisions of Section 394 of the Companies Act, 1956.
- 6.6.15 Pursuant to the Scheme being effective, the entire share capital of CAIL held by DPCL and its nominees shall stand cancelled as an integral part of the Scheme.
- 6.7 Upon the Scheme coming into effect, the Authorised Share Capital of the Amalgamating Companies shall stand combined with the Authorised Share Capital of the Amalgamated Company 2 and the Memorandum of Association of the Amalgamated Company 2 shall automatically stand amended accordingly as an integral part of the Scheme.
- 6.8 Pursuant to the Scheme being effective, all the main objects specified in the Memorandum of Association of DPCL shall be added/clubbed/ included as main objects in the Memorandum of Association of CAIL.
- 6.9 Upon the coming into effect of this Scheme, the Directors of DPCL shall be appointed as Directors of CAIL subject to the compliance of applicable provisions of the 1956 Act or 2013 Act as may be applicable. The approval of the members of CAIL to the Scheme shall be deemed to be their consent/approval for their appointment as Directors under the applicable provisions of the 2013 Act and 1956 Act.
- 6.10 On approval of the Scheme by the Shareholders of the Transferor Company and Transferee Company pursuant to Section 391 of the Companies Act, 1956, it shall be deemed that the said members have also accorded all relevant consents under Section 13 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956 and any other provisions of the said Acts to the extent the same may be considered applicable.
- 6.11 **The features set out above being the salient features of the Scheme of Arrangement and Amalgamation; the Secured Creditors are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.**
- 6.12 The proposed Scheme of Arrangement and Amalgamation was approved by the Board of Directors of the Applicant Company at the meeting held on 24th February, 2016 after considering the recommendation of the Audit Committee, Valuation Report dated 23rd February, 2016 issued by M/s Sharp & Tannan, Chartered Accountants and Fairness Opinion dated 23rd February, 2016 of an independent Category – I Merchant Banker M/s Centrum Capital Limited.
- 6.13 In accordance with the Circular No.CIR/CFD/CMD/16/2015 dated 30th November 2015 issued by the Securities and Exchange Board of India (SEBI), the Audit Committee of the Board of Directors of the Applicant Company had on 24th February, 2016, recommended the proposed Scheme of Amalgamation for approval of the Board.
- 6.14 BSE Limited and National Stock Exchange of India Limited have given No-objection / observation letter dated 12th May, 2016 to the Scheme of Arrangement and Amalgamation.

7. CAPITAL STRUCTURE PRE AND POST AMALGAMATION

- 7.1 Pre and Post Amalgamation capital structure of DPCL is as follows:

Share Capital	Pre	Post
Authorized Share Capital		
No. of Equity Shares of Rs. 2 each	16,50,00,000	-
Amount (in Rs.)	33,00,00,000	-
Issued, subscribed and paid-up		
No. of Equity Shares of Rs. 2 each	16,13,94,272	-
Amount (in Rs.)	32,27,88,544	-

7.2 Pre and Post Amalgamation capital structure of DCL is as follows:

Share Capital	Pre	Post
Authorized Share Capital		
No. of Equity Shares of Rs. 2 each	2,50,000	-
Amount (in Rs.)	5,00,000	-
Issued, subscribed and paid-up		
No. of Equity Shares of Rs. 2 each	2,50,000	-
Amount (in Rs.)	5,00,000	-

7.3 Pre and Post Amalgamation capital structure of CAIL is as follows:

Share Capital	Pre	Post
Authorized Share Capital		
No. of Equity Shares of Rs. 2 each	50,00,000	17,02,50,000
Amount (in Rs.)	1,00,00,000	34,05,00,000
Issued, subscribed and paid-up		
No. of Equity Shares of Rs. 2 each	2,50,000	16,13,94,272
Amount (in Rs.)	5,00,000	32,27,88,544

7.4 The shareholding pattern pre and post amalgamation of the DPCL, DCL and CAIL as on June 24, 2016 are as under:

Category	DPCL		DCL		CAIL			
	Pre-Amalgamation		Pre-Amalgamation		Pre-Amalgamation		Post-Amalgamation	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoter & Promoter Group	9,90,96,898	61.40					9,90,96,898	61.40
– Individual/ HUF	9,78,96,898	60.66	2,49,500	99.8	2,49,500	99.8	9,78,96,898	60.66
– Bodies Corporate	12,00,000	0.74	500	0.20	500	0.20	12,00,000	0.74
Public	6,22,97,374	38.60					6,22,97,374	38.60
– Mutual Funds	59,81,128	3.71	-	-	-	-	59,81,128	3.71
– Foreign Portfolio Investor	2,16,81,875	13.43	-	-	-	-	2,16,81,875	13.43
– Financial Institutions / Banks	14,49,369	0.90	-	-	-	-	14,49,369	0.90
– Foreign Institutional Investor	94,22,611	5.84	-	-	-	-	94,22,611	5.84
– Bodies Corporate	29,99,342	1.86	-	-	-	-	29,99,342	1.86
– Clearing Member	8,03,051	0.50	-	-	-	-	8,03,051	0.50
– Others	1,99,59,998	12.37	-	-	-	-	1,99,59,998	12.37
Total	16,13,94,272	100	2,50,000	100	2,50,000	100	16,13,94,272	100

8. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

None of the Directors or Key Managerial Personnel (KMPs) of DPCL, CAIL and DCL, or their relatives, have any material interest in the Scheme except to the extent of shares, held by them in DPCL or CAIL or DCL or to the extent the said Directors are common Directors in DPCL and/or CAIL and/or DCL or to the extent the Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in DPCL. The effect of the Scheme on interests of the Directors and KMPs and their relatives, is not any different from the effect of the Scheme on like interests of other persons.

The present details of the directors of DPCL and their shareholding in DPCL, DCL and CAIL are as under:

Name of the Director	Equity shares held in		
	DPCL	DCL	CAIL
Mr. Janmejy R. Vyas	50559710	60000*	247000*
Mrs. Deohooti J. Vyas	21929000	60000*	500*
Mr. Arpit J. Vyas	25127950	68500*	500*
Mr. Mark C. Griffiths	Nil	Nil	Nil
Mr. Sanjay S. Majmudar	49300	Nil	500*
Mr. Ashok C. Gandhi	300	Nil	Nil
Mr. Subir Kumar Das	Nil	Nil	Nil
Mr. Rajendra S. Shah	Nil	Nil	Nil

* Shares held as a nominee of DPCL

The present details of the directors of DCL and their shareholding in DPCL, DCL and CAIL are as under:

Name of the Director	Equity shares held in		
	DPCL	DCL	CAIL
Mrs. Deohooti J. Vyas	21929000	60000*	500*
Mr. Arpit J. Vyas	25127950	68500*	500*
Ms. Aditi J. Vyas	207238	60000*	500*

* Shares held as a nominee of DPCL

The present details of the directors of CAIL and their shareholding in DPCL, DCL and CAIL are as under:

Name of the Director	Equity shares held in		
	DPCL	DCL	CAIL
Mr. Janmejy R. Vyas	50559710	60000*	247000*
Mr. Sanjay S. Majmudar	49300	Nil	500*
Mr. Arpit J. Vyas	25127950	68500*	500*

* Shares held as a nominee of DPCL

9. GENERAL

- (a) The Scheme is not prejudicial to the interests of the members of the Applicant Company. Pursuant to this Scheme becoming effective, DPCL & DCL will stand dissolved without winding up.
- (b) There are no winding up proceedings pending against DPCL as of date.
- (c) No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 in respect of DPCL.
- (d) Inspection of the following documents may be carried on by the Secured Creditors of DPCL at the Registered Office of the Company on any working day (except Saturdays) prior to the date of the meeting between 11:00 am and 1:00 pm:
 - i) Copy of the Order dated June 27, 2016 of the Hon'ble High Court of Gujarat at Ahmedabad, passed in Company Application No. 279 of 2016 directing the convening of the meeting of the Secured Creditors of DPCL;
 - ii) Copy of the Company Application No. 279 of 2016;
 - iii) Memorandum and Articles of Association of DPCL, DCL and CAIL;
 - iv) Auditor's report on Annual Standalone Financial Results of the Applicant Company for financial year ended March 31, 2016 pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - v) Audited Financial Statements of DPCL for financial years ended March 31, 2015 and March 31, 2014;
 - vi) Audited Financial Statements of DCL and CAIL for financial years ended March 31, 2016, March 31, 2015 and March 31, 2014.
 - vii) Copies of the resolutions passed by the respective Board of Directors of the DPCL, CAIL and DCL on February 24, 2016.
 - viii) Copy of Valuation Report dated February 23, 2016 issued by Sharp & Tannan, Chartered Accountants recommending the share exchange ratio.
 - ix) Copy of Fairness Opinion dated February 23, 2016 issued by Category I Merchant Banker M/s Centrum Capital Limited on share exchange ratio
 - x) Copies of Complaints Report dated April 8, 2016 submitted to both BSE and NSE.
 - xi) Copies of Observation Letter issued by BSE and NSE dated May 12, 2016.
 - xii) Register of Director's Shareholdings of DPCL;
 - xiii) Other documents displayed by the Stock Exchange and DPCL's website, in terms of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.
 - xiv) Copies of the Scheme of Arrangement and Amalgamation and of the statement under section 393 of the Companies Act, 1956 are available free of charge at the Registered Office of the Company or at the office of its Advocates M/s. J. Sagar Associates, A-502 & 503, Shapath Hexa, Opposite Gujarat High Court, Near Sola Bridge, Janta Nagar, Kakoldiya Road, S G Highway, Ahmedabad - 380060.

Dated this 7th day of July, 2016

Mr. Janmejy R. Vyas
Chairman appointed for the meeting

Registered Office:
Bhadra-Raj Chambers,
Swastik Cross Road,
Navrangpura,
Ahmedabad-380 009,
Gujarat.

SCHEME OF ARRANGEMENT AND AMALGAMATION

(UNDER SECTIONS 391 TO 394 READ WITH SECTION 100 AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 1956 AND COMPANIES ACT, 2013)

AMONGST

DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED

AND

CARBOGEN AMCIS (INDIA) LIMITED

AND

DISHMAN CARE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

CHAPTER 1

Chapter 1 of this Scheme of Arrangement and Amalgamation ("**Scheme**") sets forth the overview and the objects of the Scheme.

1.1 DESCRIPTION OF COMPANIES

- 1.2 Dishman Pharmaceuticals and Chemicals Limited (CIN No. L24230GJ1983PLC006329) is a public company limited by shares incorporated in 1983 under the provisions of the Companies Act, 1956, having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat and is engaged in Contract Research and Manufacturing Services and manufacture and supply of marketable molecules such as specialty chemicals, vitamins & chemicals and disinfectants. The equity shares of Dishman Pharmaceuticals and Chemicals Limited are listed on National Stock Exchange of India Ltd. ("**NSE**") and BSE Ltd. ("**BSE**") (collectively, the "**Stock Exchanges**").
- 1.3 Carbogen Amcis (India) Limited (CIN No. U74900GJ2007PLC051338) is a public company limited by shares incorporated in 2007 under the provisions of the Companies Act 1956, having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat and is engaged in research and development, including regulatory filings, of certain pharmaceutical molecules for some of the overseas subsidiaries of Dishman Pharmaceuticals and Chemicals Limited. Its entire equity share capital is held by Dishman Pharmaceuticals and Chemicals Limited.
- 1.4 Dishman Care Limited (CIN No. U24233GJ2010PLC059935) is a public company limited by shares incorporated in 2010 under the provisions of the Companies Act 1956, having its registered office at 516, 5th Floor, Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat. It is engaged in market research, business development and marketing of disinfectant products to be manufactured by Dishman Pharmaceuticals and Chemicals Limited. Its entire equity share capital is held by Dishman Pharmaceuticals and Chemicals Limited.
- 1.5 Dishman Pharmaceuticals and Chemicals Limited, Carbogen Amcis (India) Limited and Dishman Care Limited are collectively referred to as the "**Companies**".

2.0 RATIONALE FOR THE COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

- 2.1 This Scheme of Arrangement and Amalgamation is expected to enable better realisation of potential of the businesses of the companies and yield beneficial results and enhanced value creation for the Companies, their respective shareholders, creditors and employees. The rationale for the proposed Scheme is set out below:
 - (i) Consolidation of the business and simplification of the group structure. Further, the amalgamation will provide a high level of synergistic integration of operations and better operational management.
 - (ii) Through the "One Company, Two Brands" strategy, the group has been delivering complex solutions suiting the diverse needs of the global customers. The proposed Scheme re-emphasises the strategy of "One Company, Two Brands" with both "Dishman" and "Carbogen Amcis" brands being reflected in the trade name of one company.
 - (iii) Synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements (as all assets, tangible and intangible, including those not recorded in the books of the amalgamating company, and liabilities of the amalgamating company shall be taken over by the amalgamated company and recorded at their respective fair values), and lead to improved alignment of debt and enhancement in earnings and cash flow.
 - (iv) The amalgamated company would be able to better leverage on its large network base and have enhanced businesses potential and increased capability to offer a wider portfolio of products and services with a diversified resource base and deeper client relationships.
 - (v) It would result in financial resources being efficiently merged and pooled leading to more effective and centralised management of funds, greater economies of scale, stronger base for future growth and reduction of administrative overheads (i.e. cost rationalization), which are presently being divided and dissipated between multiple separate entities. The amalgamation shall lead to greater efficiency in management of the businesses, simplicity and reduction in regulatory compliances and cost.
 - (vi) It will improve and consolidate internal controls and functional integration at various levels of the organisation such as information technology, human resources, finance, legal and general management leading to an efficient organisation capable of responding swiftly to volatile and rapidly changing market scenarios.
 - (vii) It will facilitate debt consolidation which will improve the debt servicing abilities through improved cash flows.
 - (viii) It would enhance the value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of Dishman Pharmaceuticals and Chemicals Limited built up over approximately three decades of experience, enhanced scale of operations and sharper focus.
- 2.2 Consequently, the Board of Directors (as hereinafter defined) of the Companies have considered and approved this Scheme of Arrangement and Amalgamation and have accordingly proposed the Slump Sale (as hereinafter defined) and Amalgamation (as hereinafter defined) as integral parts of the Scheme.

3.0 CHAPTERS IN THE SCHEME

The Scheme is divided into five (5) chapters, the details of which are as follows:

- 3.1 **Chapter 1:** Chapter 1 of this Scheme sets forth the overview and objects of the Scheme. Further this Chapter 1 also contains the provisions with respect to definitions, interpretation and share capital of the parties to the Scheme which are common to and shall be applicable on all Chapters of the Scheme;
- 3.2 **Chapter 2:** Chapter 2 provides for specific provisions governing transfer and vesting of ETP Undertaking (as defined hereinafter) of Dishman Pharmaceuticals and Chemicals Limited into Carbogen Amcis (India) Limited by way of Slump Sale;
- 3.3 **Chapter 3:** Chapter 3 provides for specific provisions governing the amalgamation of Dishman Care Limited into and with Dishman Pharmaceuticals and Chemicals Limited;
- 3.4 **Chapter 4:** Chapter 4 provides for specific provisions governing the amalgamation of Dishman Pharmaceuticals and Chemicals Limited into and with Carbogen Amcis (India) Limited;

3.5 **Chapter 5:** Chapter 5 provides for the provisions governing consolidation of the authorised share capital, changes to the main object clause of Carbogen Amcis (India) Limited, change in name of Carbogen Amcis (India) Limited, and certain general terms and conditions applicable to one or more Chapters of this Scheme.

4.0 GENERAL DEFINITIONS AND INTERPRETATION

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

“1956 Act” means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto;

“2013 Act” means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

“Amalgamated Company 1” means Dishman Pharmaceuticals and Chemicals Limited remaining after the Slump Sale of ETP Undertaking (as defined hereinafter);

“Amalgamated Company 2” or “Transferee Company” means Carbogen Amcis (India) Limited;

“Amalgamating Companies” means collectively Amalgamating Company 1 and Amalgamating Company 2;

“Amalgamating Company 1” means Dishman Care Limited;

“Amalgamating Company 2” means Dishman Pharmaceuticals and Chemicals Limited remaining after the Slump Sale of ETP Undertaking and the amalgamation of Dishman Care Limited into and with it;

“Amalgamating Company” shall mean any one of Amalgamating Company 1 or Amalgamating Company 2, as the context requires;

“Amalgamation” means amalgamation of Amalgamating Company 1 with Amalgamated Company 1 and Amalgamating Company 2 with Amalgamated Company 2 in accordance with Section 2(1B) of the Income Tax Act, 1961, in terms of Chapter 3 and 4 of the Scheme respectively;

“Appointed Date” means January 1, 2015, or such other date as may be determined by the Board of Directors of the concerned Companies or directed by the High Court and is the date with effect from which the Scheme shall upon sanction of the same by the High Court, be deemed to be operative;

“Audit Committee” means the audit committee of Dishman Pharmaceuticals and Chemicals Ltd., as constituted from time to time;

“Board of Directors” or “Board” in relation to each of the Companies, as the case may be, means the board of directors of such company;

“BSE” means BSE Limited;

“Effective Date” means such date as the Companies mutually agree being a date on the last of the dates or post the last of the dates on which all the conditions and matters referred to in clause 5.0 of Chapter 5 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme;

“Encumbrance” means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term **“Encumbered”** shall be construed accordingly;

“ETP Undertaking” shall mean the Transferor Company's undertaking, business, activities and operations pertaining to its Water Treatment Systems - Effluent Treatment Plants (**“ETP”**) for treatment of Low COD (Chemical Oxygen Demand) waste at Bavla, ETP for treatment of High COD waste at Bavla (termed as Zero Discharge System) and ETP for treatment of Low COD waste at Naroda, and shall also include but not limited to the following:

- a) All assets (wherever situated), whether movable or immovable including land and building, capital work in progress, tangible or intangible, real or personal, corporeal and incorporeal, including furniture, fixtures, vehicles, stocks and inventory, office equipment, appliances, accessories, unquoted investments, leasehold assets, easements and other properties, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, together with all present and future liabilities (including contingent liabilities, if any) pertaining to the ETP Undertaking;
- b) All rights, entitlements, approvals, licenses, consents, permissions, brands, logos, engagements, arrangements, municipal permissions belonging to or proposed to be utilized for the ETP Undertaking;
- c) All secured and unsecured debts, liabilities (including contingent liabilities), duties, undertakings and obligations pertaining to the ETP business of every kind, nature and description whatsoever and howsoever arising in connection with or relating to the ETP Undertaking;
- d) All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders or other instruments of whatsoever nature to which Transferor Company is a party, exclusively relating to ETP Undertaking, business, activities and operations pertaining to its ETP Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Transferor Company in relation to its ETP Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, if any, and all other rights, title, interests, privileges and benefits of every kind in relation to its ETP Undertaking;
- e) All registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Transferor Company in ETP Undertaking, business, activities and operations pertaining to the ETP Undertaking;

- f) All employees of the Transferor Company employed in the ETP Undertaking as identified by the Board of Directors of the Transferor Company, as on the Effective Date;
- g) All records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, labels lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the ETP Undertaking.

"Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body, statutory body or stock exchange, including but not limited to the Reserve Bank of India ("RBI") and the Securities and Exchange Board of India ("SEBI"), or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law;

"High Court" means the High Court of Judicature at Gujarat having jurisdiction in relation to the Companies and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the 1956 Act or the 2013 Act, as applicable;

"Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

"Liabilities" means all debts and liabilities, both present and future comprised in the ETP Undertaking and Undertaking, whether or not provided in the books of accounts or disclosed in the balance sheet of the Transferor Company and Amalgamating Companies, including all secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), duties and obligations (including under any licenses or permits or schemes of every kind) and undertakings of the Transferor Company and Amalgamating Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any charge, Encumbrance;

"NSE" means the National Stock Exchange of India Limited;

"Record Date" means the date after the Effective Date to be fixed by the Board of Directors of the Amalgamated Company 2 and the Amalgamating Company 2 for the purpose of determining the equity shareholders of the Amalgamating Company 2, as applicable, to whom equity shares of the Amalgamated Company 2 will be allotted pursuant to this Scheme;

"Registrar of Companies" means the Registrar of Companies, Ahmedabad;

"Scheme", "the Scheme", "this Scheme" means this Scheme of Arrangement and Amalgamation, pursuant to Sections 391 to 394 read with Section 100 of the 1956 Act, or any other applicable provisions of the 1956 Act or the 2013 Act, if any, in its present form (along with any annexures, schedules, etc, attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals including approvals of the shareholders and/or creditors, as applicable, and sanction from the High Court under the 1956 Act or 2013 Act, as applicable, and under all applicable laws;

"SEBI Circular" means the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, both issued by the Securities and Exchange Board of India and any related and amended circulars that SEBI may issue in respect of schemes of arrangement ;

"Share Exchange Ratio" has the meaning ascribed to it in sub-clause 12.1 of Chapter 4 of the Scheme hereof;

"Slump Sale" means the transfer of ETP Undertaking of the Transferor Company to the Transferee Company as a going concern and "as-is-where-is" basis for a lump sum consideration, without values being assigned to the individual assets and liabilities, in terms of Chapter 2 of the Scheme.

"Stock Exchanges" shall mean BSE and NSE;

"Transferor Company" means Dishman Pharmaceuticals and Chemicals Ltd.;

"Undertaking" means and includes all the undertakings and entire business of the Amalgamating Company as a going concern, including, without limitation:

- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) whether or not recorded in the books of accounts of the Amalgamating Company, including, without limitation, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including overseas subsidiaries, furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Amalgamating Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company, whether in India or abroad;
- (b) all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company;

- (c) all contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Amalgamating Company are parties, including lease agreements, leave and license agreements, tenancy rights, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements/contracts with the supplier of goods and/or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Amalgamating Company is party;
- (d) all intellectual property rights (including intangible assets and business or commercial rights), registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Amalgamating Company, whether or not recorded in the books of accounts of the Amalgamating Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Amalgamating Company, whether used or held for use by it;
- (e) all liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Amalgamating Company; and
- (f) any and all permanent employees, who are on the payrolls of the Amalgamating Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Amalgamating Company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Amalgamating Company.
- 4.2 All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 1956 Act or the 2013 Act, as applicable, the Income Tax Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 4.3 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- 4.4 The headings herein shall not affect the construction of this Scheme.
- 4.5 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 4.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 4.7 References to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- 4.8 References to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- 4.9 Any reference to any statute or statutory provision shall include:
- (a) All subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
- (b) Such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

5.0 SHARE CAPITAL

5.1 Dishman Pharmaceuticals and Chemicals Limited

The share capital structure of Dishman Pharmaceuticals and Chemicals Limited as on 31st December, 2015 is as under:

A. Authorised Share Capital	Amount in Rupees
10,00,00,000 Equity shares of Rs. 2 each	20,00,00,000
Total	20,00,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
8,06,97,136 Equity shares of Rs. 2 each	16,13,94,272
Total	16,13,94,272

After 31st December, 2015 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Dishman Pharmaceuticals and Chemicals Limited¹.

¹ The Board of Directors of Dishman Pharmaceuticals and Chemicals Limited, in their meeting held on February 24, 2016, approved issue of bonus shares to its equity shareholders in the ratio of 1:1. Pursuant to the approval of the shareholders, the authorised share capital and the issued & paid up share capital shall get appropriately amended to give effect to the issue of bonus shares.

5.2 Carbogen Amcis (India) Limited

The share capital structure of **Carbogen Amcis (India) Limited** as on 31st December, 2015 is as under:

A. Authorised Share Capital	Amount in Rupees
50,00,000 Equity shares of Rs.2 each	1,00,00,000
Total	1,00,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
2,50,000 Equity shares of Rs. 2 each	5,00,000
Total	5,00,000

After 31st December, 2015 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Carbogen Amcis (India) Limited.

5.3 Dishman Care Limited

The share capital structure of **Dishman Care Limited** as on 31st December, 2015 is as under:

A. Authorised Share Capital	Amount in Rupees
2,50,000 Equity Shares of Rs. 2 each	5,00,000
Total	5,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
2,50,000 Equity shares of Rs. 2 each	5,00,000
Total	5,00,000

After 31st December, 2015 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Dishman Care Limited.

**CHAPTER 2 – TRANSFER OF ETP UNDERTAKING FROM TRANSFEROR COMPANY TO
TRANSFeree COMPANY BY WAY OF SLUMP SALE**

1.0 Transfer and Vesting of ETP Undertaking of Transferor Company to Transferee Company

- 1.1** Upon the Scheme becoming effective, with effect from the Appointed Date herein, the ETP Undertaking pursuant to the provisions of Section 391 and 394 of the 1956 Act and applicable provisions of 2013 Act shall stand transferred to and vested in the Transferee Company, as a going concern, without any further act or deed, as per the provisions contained herein, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to existing charges or *lis pendens*, if any, thereon.
- 1.2** Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, and upon the Scheme becoming effective, with effect from the Appointed Date the entire ETP Undertaking, shall be transferred to the Transferee Company on a going concern and “as-is-where-is” basis, including the assets and Liabilities, for a lump sum consideration, without assigning value to individual assets and Liabilities, and in the following manner:
- In respect of all the movable assets of the ETP Undertaking of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash in hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.
 - the rights to use over the land and buildings appurtenant thereto, as it pertains to the ETP Undertaking, shall form part of the ETP Undertaking and such rights shall be deemed to be specifically granted by the Transferor Company to and vested in the ETP Undertaking (and consequently to the Transferee Company in which the ETP Undertaking shall be transferred pursuant to the provisions of this Chapter 2 of the Scheme) by virtue of sanction of the Scheme by the High Court and the effectiveness of the Scheme.
 - All Liabilities pertaining to the ETP Undertaking including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company shall stand vested in the Transferee Company and shall upon the Scheme becoming effective be deemed to be the Liabilities of the Transferee Company, and Transferee Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that 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.
 - all permits, no objection certificates, contracts, permissions, approvals, consents, rights, entitlements, licenses, including those relating to tenancies, copyrights, intellectual property rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the ETP Undertaking of 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 on the Effective Date, shall stand transferred to and vested in the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting and transfer of ETP Undertaking pursuant to this Scheme, and shall be and remain in full force, operative and effectual for the benefit of the Transferee Company, and may be enforced by the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been the original party or beneficiary or obligee thereto.

- e) Any suits, appeals or other proceedings of whatsoever nature and pending in any court, tribunal or any other forum, relating to the ETP Undertaking, whether by or against the Transferor Company, shall not abate or be discontinued or in any way prejudicially affected by reason of the transfer of the ETP Undertaking into Transferee Company or of any order of or direction passed or issued in such proceedings or anything contained in this Scheme, but by virtue of the vesting and sanction order, such legal proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented.
 - f) All the employees, pertaining to the ETP Undertaking, shall become employees of and be engaged by the Transferee Company pursuant to the vesting orders and by operation of law, with effect from this Scheme coming into effect, on such terms and conditions as are no less favorable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of transfer of ETP Undertaking, without any further act, deed or instrument on the part of the Transferor Company or the Transferee Company. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees, Transferee Company shall stand substituted for Transferor Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees and the services of all such employees of the Transferor Company for such purpose shall be treated as having been continuous.
 - g) All intellectual property including registrations, goodwill, licenses, trademarks, logos, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, pertaining to the ETP Undertaking, if any, shall stand vested in the Transferee Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon the vesting orders of the High Court sanctioning the Scheme and this Scheme becoming effective.
 - h) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, etc.) payable by or refundable to the ETP Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, rebates, benefits, credits, tax holidays u/s 80-IA of Income Tax Act, remissions, reductions, etc, as would have been available to ETP Undertaking, shall pursuant to this Scheme becoming effective, be available to the Transferee Company.
 - i) All benefits of any and all corporate approvals as may have already been taken by the Transferor Company with respect to the ETP Undertaking, whether being in the nature of compliances or otherwise, shall stand vested in the Transferee Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Transferee Company.
 - j) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company in relation to the ETP Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 394(2) and other applicable provisions of the 1956 Act and 2013 Act, without any further act, instrument or deed be and shall stand vested in or be deemed to have been vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.
- 1.3 Upon this Scheme becoming effective, the secured creditors of the Transferor Company that relate to the ETP Undertaking, if any, and/or other security holders over the properties of the ETP Undertaking shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of ETP Undertaking, as existing immediately prior to transfer of the ETP Undertaking into the Transferee Company. It is hereby clarified that pursuant to the transfer of the ETP Undertaking into the Transferee Company, the secured creditors of the Transferor Company related to the ETP Undertaking and/or other security holders over the properties of the ETP Undertaking shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company. Such assets of the Transferor Company related to the ETP Undertaking and that of the Transferee Company, as the case may be, which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.
- 1.4 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after this Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.
- 1.5 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for vesting of the approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in relation to the ETP Undertaking, in the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the High Court, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file, if any, appropriate applications/documents with relevant authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

2.0 Conduct of business till this Scheme comes into effect

With effect from the Appointed Date and up to and including the date of this Scheme coming into effect all profits or income arising or accruing in favour of the Transferor Company in relation to the ETP Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Transferor Company in relation to the ETP Undertaking shall, for all intent and purposes, be treated as and be deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company.

3.0 When Scheme becomes effective

- 3.1 With effect from the date of this Scheme coming into effect, the Transferee Company shall carry on and shall be entitled to carry on the ETP Undertaking.
- 3.2 For the purpose of giving effect to the order passed under Sections 391 to 394 and other applicable provisions of the 1956 Act in respect of the Scheme by the High Court, the Transferee Company shall, at any time pursuant to the orders sanctioning this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the ETP Undertaking into the Transferee Company, in accordance with the provisions of Sections 391 to 394 of the 1956 Act. 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 this Scheme.
- 3.3 Upon this Scheme becoming effective, the Transferee Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the ETP Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

4.0 Consideration

- 4.1 The total consideration for transfer and vesting of the ETP Undertaking of the Transferor Company in the Transferee Company shall be Rs. 15 Crores (Rupees Fifteen Crores).
- 4.2 Upon the Scheme becoming effective, the total consideration payable in cash for transfer and vesting of the ETP Undertaking as given under clause 4.1 above shall be kept outstanding and shall be discharged in terms of Clause 13.3 of Chapter 4 of the Scheme.
- 4.3 The lump sum amount for the vesting of the ETP Undertaking with the Transferee Company, by way of Slump Sale, stated in Clause 4.1 above has been determined by the boards of directors of the Transferor Company and the Transferee Company based on the recommendation of the audit committee of the Transferor Company and valuation report of Sharp & Tannan, an independent chartered accountant and fairness report of Centrum Capital Limited, an independent merchant banker approved by the board of directors of the Transferor Company and Transferee Company.

5.0 Accounting Treatment

5.1 Accounting Treatment in the books of the Transferee Company

The Transferee Company shall, upon this Scheme becoming effective, with effect from the Appointed Date record assets and Liabilities of the ETP Undertaking as vested in it pursuant to this Chapter 2 in accordance with an allocation report to be prepared in accordance with Accounting Standard - 10 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act.

5.2 Accounting Treatment in the books of the Transferor Company

The Transferor Company shall, upon this Scheme becoming effective, with effect from the Appointed Date, account for Chapter 2 of the Scheme as under:

- (a) The book value of all assets and liabilities pertaining to the ETP Undertaking, which cease to be assets and liabilities of the Transferor Company, shall be reduced by the Transferor Company from the respective assets and liabilities.
- (b) Any difference between consideration as per Clause 4.0 above and the items mentioned in Clause 5.2(a) above shall be adjusted in its Statement of Profit and Loss.

CHAPTER 3 – AMALGAMATION OF AMALGAMATING COMPANY 1 WITH AMALGAMATED COMPANY 1

- 1.0 Upon the coming into effect of the Scheme and with effect from the Appointed Date and after giving effect to Chapter 2 of the Scheme, the Undertaking of Amalgamating Company 1 shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394, Section 100 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Amalgamated Company 1, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company 1 by virtue of and in the manner provided in this Chapter.
- 2.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of the Scheme and with effect from the Appointed Date,
- a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts of the Amalgamating Company 1, comprised in the Undertaking of whatsoever nature and where-so-ever situate shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Amalgamated Company 1 and/or be deemed to be transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Amalgamated Company 1.
 - b) such of the assets and properties of the Amalgamating Company 1 as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company 1 and/or be deemed to stand transferred to the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of

the Amalgamated Company 1. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

- c) all other movable properties of the Amalgamating Company 1, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), 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, deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Amalgamated Company 1 and/or deemed to have been transferred to and vested in the Amalgamated Company 1, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Amalgamated Company 1.
- d) The Amalgamated Company 1 may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Amalgamated Company 1 as the person entitled thereto, to the end and intent that the right of the Amalgamating Company 1 to recover or realize all such debts (including the debts payable by such debtor or obligor to the Amalgamating Company 1) stands transferred and assigned to the Amalgamated Company 1 and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Amalgamating Company 1 and all the rights, title and interest of the Amalgamating Company 1 in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company 1.
- e) all immovable properties of the Amalgamating Company 1, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Amalgamating Company 1, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company 1, without any further act or deed done or being required to be done by the Amalgamating Company 1 and/or the Amalgamated Company 1. The Amalgamated Company 1 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company 1 by the appropriate authorities pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof.
- f) all lease/license or rent agreements entered into by the Amalgamating Company 1 with various landlords, owners and lessors in connection with the use of the assets of the Amalgamating Company 1, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of the Amalgamated Company 1 on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Amalgamated Company 1 shall continue to pay rent or lease or license fee as provided for in such agreements, and the Amalgamated Company 1 and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, the Amalgamated Company 1 shall also be entitled to refund of security deposits paid under such agreements by the Amalgamating Company 1.
- g) All permissions, approvals, consents, subsidies, incentives, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company 1 enjoyed or conferred upon or held or availed of by the Amalgamating Company 1 and all rights and benefits that have accrued or which may accrue to the Amalgamating Company 1, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements, of the Amalgamated Company 1 and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Amalgamated Company 1, and the Amalgamated Company 1 shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company 1.
- h) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Amalgamating Company 1, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company 1, or to the benefit of which, the Amalgamating Company 1 may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Amalgamated Company 1 and may be enforced as fully and effectually as if, instead of the Amalgamating Company 1, the Amalgamated Company 1 had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Company 1 (and not by any of its successors), shall be fulfilled by the Amalgamated Company 1 as if it is the duly constituted attorney of that Amalgamating Company 1.

- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Amalgamating Company 1 or to the benefit of which the Amalgamating Company 1 may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Amalgamated Company 1. Such property and rights shall stand vested in the Amalgamated Company 1 and shall be deemed to have become the property of the Amalgamated Company 1 by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.
 - j) all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Amalgamating Company 1, whether or not provided in books of accounts of the Amalgamating Company 1, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Amalgamated Company 1.
 - k) all intangible assets including various business or commercial rights, etc belonging to but not recorded in books of the Amalgamating Company 1 shall be transferred to and vested with the Amalgamated Company 1 and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at the prescribed rates.
 - l) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Amalgamating Company 1, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Amalgamated Company 1, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, as would have been available to the Amalgamating Company 1, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Company 1. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Amalgamated Company 1 w.e.f. from Appointed Date in terms of section 72A of Income Tax Act.
 - m) the Amalgamated Company 1 shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Amalgamating Company 1 under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Amalgamating Company 1 and the Amalgamated Company 1 in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
 - n) All statutory rights and obligations of Amalgamating Company 1 would vest on/accrue to Amalgamated Company 1. Hence, obligation of the Amalgamating Company 1, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Amalgamated Company 1 and if any Form relating to the period prior to the said Effective Date is received in the name of the Amalgamating Company 1, it would be deemed to have been received by the Amalgamated Company 1 in fulfillment of its obligations.
 - o) benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company 1, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Amalgamated Company 1.
 - p) the resolutions, if any, of the Amalgamating Company 1, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company 1 and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company 1 and shall constitute the aggregate of the said limits in the Amalgamated Company 1.
 - q) such of the assets comprised in the Undertaking and which are acquired by the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Amalgamated Company 1.
- 3.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of this Scheme and with effect from the Appointed Date,
- (a) all the Liabilities, whether or not provided in the books of the Amalgamating Company 1, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the

transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 1, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Amalgamated Company 1 on the same terms and conditions as were applicable to the Amalgamating Company 1, and the Amalgamated Company 1 shall meet, discharge and satisfy the same.

- (b) all Liabilities comprised in the Undertaking, and which are incurred or which arise or accrue to the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 1 and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Amalgamating Company 1, and the Amalgamated Company 1 shall meet, discharge and satisfy the same.
 - (c) any Liabilities of the Amalgamating Company 1 as on the Appointed Date that are discharged by the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Amalgamated Company 1.
 - (d) all loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Amalgamated Company 1 and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 1 and to the extent they are outstanding on the Effective Date, the Amalgamated Company 1 shall meet, discharge and satisfy the same.
 - (e) loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Amalgamating Company 1 and the Amalgamated Company 1 shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Amalgamated Company 1.
- 4.0 (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 1 which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Amalgamated Company 1. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Amalgamating Company 1 which were earlier not Encumbered or the existing assets of the Amalgamated Company 1. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (b) Any reference in any security documents or arrangements (to which the Amalgamating Company 1 is a party) to the Amalgamating Company 1 and its assets and properties, shall be construed as a reference to the Amalgamated Company 1 and the assets and properties of the Amalgamating Company 1 transferred to the Amalgamated Company 1 pursuant to this Scheme.
 - (c) Without prejudice to the foregoing provisions, the Amalgamated Company 1 may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
 - (d) The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.
- 5.0 (a) Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Amalgamating Company 1, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Amalgamating Company 1 who are on its payrolls shall become employees of the Amalgamated Company 1 with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company 1, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company 1, upon this Scheme becoming effective, the Amalgamated Company 1 shall stand substituted for the Amalgamating Company 1 for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company 1 for such purpose shall be treated as having been continuous.
- (b) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Amalgamating Company 1 for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Amalgamated Company 1 or as may be created by the Amalgamated Company 1 for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Amalgamated Company 1 to the existing funds maintained by the Amalgamating Company 1.

- (c) The Amalgamated Company 1 undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Amalgamating Company 1, the past services of such employees with the Amalgamating Company 1 shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Amalgamating Company 1 will transfer/handover to the Amalgamated Company 1, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- (d) The Amalgamated Company 1 shall continue to abide by any agreement(s)/ settlement(s) entered into by the Amalgamating Company 1 with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.
- 6.0 (a) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Company 1 shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Amalgamating Company 1, as if this Scheme had not been made.
- (b) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Amalgamating Company 1, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Amalgamated Company 1 as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Amalgamated Company 1.
- (c) The Amalgamated Company 1 undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Amalgamating Company 1 transferred to its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company 1.
- 7.0 All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, of the Amalgamating Company 1, to the extent possible and permitted under applicable laws, be handed over to the Amalgamated Company 1.
- 8.0 Without prejudice to the provisions of Clause 1.0 to 7.0 above, with effect from the Appointed Date, all inter-party transactions amongst the Amalgamating Company 1 and the Amalgamated Company 1 shall be considered as intra-party transactions for all purposes.
- 9.0 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Amalgamated Company 1 may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Amalgamating Company 1 are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company 1 pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company 1 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Amalgamated Company 1 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company 1 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 1 to be carried out or performed.
- 10.0 Conduct of Business**
- 10.1 With effect from the Appointed Date and up to and including the Effective Date:
 - (a) the Amalgamating Company 1 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Amalgamated Company 1;
 - (b) all profits and income accruing or arising to the Amalgamating Company 1, and losses and expenditure arising or incurred by the Amalgamating Company 1 for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company 1;
 - (c) any of the rights, powers, authorities or privileges exercised by the Amalgamating Company 1 shall be deemed to have been exercised by the Amalgamating Company 1 for and on behalf of, and in trust for and as an agent of the Amalgamated Company 1. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company 1 shall be deemed to have been undertaken for and on behalf of and as an agent of the Amalgamated Company 1;
 - (d) all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, taxes withheld/paid in a foreign country, sales tax, excise duty, customs duty, service tax, VAT, tax refunds) payable by or refundable to the Amalgamating Company 1, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Amalgamating Company 1) as the case may be, of the Amalgamated Company 1, and any unabsorbed tax losses and depreciation, etc., as would have been available to the Amalgamating Company 1 on or before the Effective Date, shall be available to the Amalgamated Company 1 upon the Scheme coming into effect; and
- 10.2 Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Company 1 on or before the Appointed Date or after the Appointed Date till the Effective Date. The Amalgamated Company 1 accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Company 1.

11.0 Consideration

Upon the Scheme being effective and in consideration of the transfer of and vesting of the Undertaking of the Amalgamating Company 1 in the Amalgamated Company 1 pursuant to this Scheme, no shares shall be required to be issued and allotted in respect of the equity shares held by Amalgamated Company 1 in Amalgamating Company 1. The equity shares held by Amalgamated Company 1 in Amalgamating Company 1 shall be deemed to be cancelled and shall stand extinguished without any consideration, further act, deed or thing by Amalgamating Company 1 and Amalgamated Company 1.

12.0 Accounting Treatment

- 12.1 The Amalgamated Company 1 shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company 1) and liabilities of the Amalgamating Company 1 vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard - 14 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act.
- 12.2 To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as between Amalgamating Company 1 and Amalgamated Company 1, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Amalgamated Company 1 as well as Amalgamating Company 1 for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 12.3 Excess, if any, of the amount of investment in the Amalgamating Company 1 as appearing in the books of the Amalgamated Company 1 as on the Appointed Date over the fair value of Net Assets (including identifiable intangible assets, if any, whether or not recorded in the books of accounts) taken over and recorded will be recognized as goodwill in accordance with Accounting Standard- 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Amalgamated Company 1.
- 12.4 The Amalgamated Company 1 shall record in its books of account, all transactions of the Amalgamating Company 1 in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.
- 12.5 The Board of Directors of the Amalgamating Company 1 and Amalgamated Company 1 may adopt any other accounting treatment for the Amalgamation which is in accordance with Accounting Standards notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of 2013 Act.

13.0 Dissolution of the Amalgamating Company 1

Upon the coming into effect of the Scheme, the Amalgamating Company 1 shall, without any further act, instrument or deed, stand dissolved without winding-up.

CHAPTER 4 – AMALGAMATION OF AMALGAMATING COMPANY 2 WITH AMALGAMATED COMPANY 2

- 1.0 Upon the coming into effect of the Scheme and with effect from the Appointed Date and after giving effect to Chapter 2 and Chapter 3 of the Scheme, the Undertaking of Amalgamating Company 2 shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394, Section 100 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company 2, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company 2 by virtue of and in the manner provided in this Scheme.
- 2.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of the Scheme and with effect from the Appointed Date,
 - a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts, comprised in the Undertaking of whatsoever nature and where-so-ever situate shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Amalgamated Company 2 and/or be deemed to be transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Amalgamated Company 2.
 - b) such of the assets and properties of the Amalgamating Company 2 as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company 2 and/or be deemed to stand transferred to the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of the Amalgamated Company 2. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
 - c) all other movable properties of the Amalgamating Company 2, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), 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, deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any

further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Amalgamated Company 2 and/or deemed to have been transferred to and vested in the Amalgamated Company 2, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Amalgamated Company 2.

- d) The Amalgamated Company 2 may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Amalgamated Company 2 as the person entitled thereto, to the end and intent that the right of the Amalgamating Company 2 to recover or realize all such debts (including the debts payable by such debtor or obligor to the Amalgamating Company 2) stands transferred and assigned to the Amalgamated Company 2 and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Amalgamating Company 2 and all the rights, title and interest of the Amalgamating Company 2 in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company 2.
- e) all immovable properties of the Amalgamating Company 2, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Amalgamating Company 2, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company 2, without any further act or deed done or being required to be done by the Amalgamating Company 2 and/or the Amalgamated Company 2. The Amalgamated Company 2 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company 2 by the appropriate authorities pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof.
- f) all lease/license or rent agreements entered into by the Amalgamating Company 2 with various landlords, owners and lessors in connection with the use of the assets of the Amalgamating Company 2, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of the Amalgamated Company 2 on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Amalgamated Company 2 shall continue to pay rent or lease or license fee as provided for in such agreements, and the Amalgamated Company 2 and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, the Amalgamated Company 2 shall also be entitled to refund of security deposits paid under such agreements by the Amalgamating Company 2.
- g) All permissions, approvals, consents, subsidies, incentives, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company 2 enjoyed or conferred upon or held or availed of by the Amalgamating Company 2 and all rights and benefits that have accrued or which may accrue to the Amalgamating Company 2, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements, of the Amalgamated Company 2 and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Amalgamated Company 2, and the Amalgamated Company 2 shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company 2.
- h) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Amalgamating Company 2, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company 2, or to the benefit of which, the Amalgamating Company 2 may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Amalgamated Company 2 and may be enforced as fully and effectually as if, instead of the Amalgamating Company 2, the Amalgamated Company 2 had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Companies (and not by any of its successors), shall be fulfilled by the Amalgamated Company 2 as if it is the duly constituted attorney of that Amalgamating Companies.
- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Amalgamating Company 2 or to the benefit of which the Amalgamating Company 2 may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Amalgamated Company 2. Such property and rights shall stand vested in the Amalgamated Company 2 and shall be deemed to have become the property of the Amalgamated Company 2 by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.

- j) all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Amalgamating Company 2, whether or not provided in books of accounts of the Amalgamating Company 2, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Amalgamated Company 2.
- k) all intangible assets including various business or commercial rights, etc belonging to but not recorded in books of the Amalgamating Company 2 shall be transferred to and vested with the Amalgamated Company 2 and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at the prescribed rates.
- l) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Amalgamating Company 2, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Amalgamated Company 2, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, as would have been available to the Amalgamating Company 2, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Company 2. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Amalgamated Company 2 w.e.f. from Appointed Date in terms of section 72A of Income Tax Act.
- m) Amalgamated Company 2 shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Amalgamating Company 2 under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Amalgamating Company 2 and the Amalgamated Company 2 in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- n) All statutory rights and obligations of Amalgamating Company 2 would vest on/accrue to Amalgamated Company 2. Hence, obligation of the Amalgamating Company 1, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Amalgamated Company 2 and if any Form relating to the period prior to the said Effective Date is received in the name of the Amalgamating Company 2, it would be deemed to have been received by the Amalgamated Company 2 in fulfillment of its obligations.
- o) benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company 2, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Amalgamated Company 2.
- p) the resolutions, if any, of the Amalgamating Company 2, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company 2 and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company 2 and shall constitute the aggregate of the said limits in the Amalgamated Company 2.
- q) such of the assets comprised in the Undertaking and which are acquired by the Amalgamating Company 2 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Amalgamated Company 2.
- 3.0 Without prejudice to the generality of Clauses 1.0 above, upon the coming into effect of this Scheme and with effect from the Appointed Date,
- (a) all the Liabilities, whether or not provided in the books of the Amalgamating Company 2, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 2, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Amalgamated Company 2 on the same terms and conditions as were applicable to the Amalgamating Company 2, and the Amalgamated Company 2 shall meet, discharge and satisfy the same.
- (b) all Liabilities comprised in the Undertaking, and which are incurred or which arise or accrue to the Amalgamating Company 2 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 2 and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Amalgamating Company 2, and the Amalgamated Company 2 shall meet, discharge and satisfy the same.

- (c) any Liabilities of the Amalgamating Company 2 as on the Appointed Date that are discharged by the Amalgamating Company 2 on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Amalgamated Company 2.
 - (d) all loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Amalgamating Company 2 on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Amalgamated Company 2 and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 2 and to the extent they are outstanding on the Effective Date, the Amalgamated Company 2 shall meet, discharge and satisfy the same.
 - (e) loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Amalgamating Company 2 and the Amalgamated Company 2 shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Amalgamated Company 2.
- 4.0 (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 2 which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Amalgamated Company 2. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Amalgamating Company 2 which were earlier not Encumbered or the existing assets of the Amalgamated Company 2. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (b) Any reference in any security documents or arrangements (to which the Amalgamating Company 2 is a party) to the Amalgamating Company 2 and its assets and properties, shall be construed as a reference to the Amalgamated Company 2 and the assets and properties of the Amalgamating Company 2 transferred to the Amalgamated Company 2 pursuant to this Scheme.
- (c) Without prejudice to the foregoing provisions, the Amalgamated Company 2 may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- (d) The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.
- 5.0 (a) Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Amalgamating Company 2, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Amalgamating Company 2 who are on its payrolls shall become employees of the Amalgamated Company 2 with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company 2, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company 2, upon this Scheme becoming effective, the Amalgamated Company 2 shall stand substituted for the Amalgamating Company 2 for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company 2 for such purpose shall be treated as having been continuous.
- (b) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Amalgamating Company 2 for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Amalgamated Company 2 or as may be created by the Amalgamated Company 2 for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Amalgamated Company 2 to the existing funds maintained by the Amalgamating Company 2.
- (c) The Amalgamated Company 2 undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Amalgamating Company 2, the past services of such employees with the Amalgamating Company 2 shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Amalgamating Company 2 will transfer/handover to the Amalgamated Company 2, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- (d) The Amalgamated Company 2 shall continue to abide by any agreement(s)/ settlement(s) entered into by the Amalgamating Company 2 with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.
- (e) Upon the coming into effect of this Scheme, the Directors of the Amalgamating Company 2 shall be appointed as Directors of the Amalgamated Company 2 subject to the compliance of applicable provisions of the 1956 Act or 2013 Act as may be applicable. The approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for their appointment as Directors under the applicable provisions of the 2013 Act and 1956 Act.

- 6.0 (a) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Company 2 shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Amalgamating Company 2, as if this Scheme had not been made.
- (b) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Amalgamating Company 2, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Amalgamated Company 2 as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Amalgamated Company 2.
- (c) The Amalgamated Company 2 undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Amalgamating Company 2 transferred to its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company 2.
- 7.0 All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, of the Amalgamating Company 2, to the extent possible and permitted under applicable laws, be handed over to the Amalgamated Company 2.
- 8.0 Without prejudice to the provisions of Clauses 1.0 to 7.0 above, with effect from the Appointed Date, all inter-party transactions amongst the Amalgamating Company 2 and the Amalgamated Company 2 shall be considered as intra-party transactions for all purposes.
- 9.0 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Amalgamated Company 2 may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Amalgamating Company 2 are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company 2 pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company 2 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Amalgamated Company 2 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company 2 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 2 to be carried out or performed.
- 10.0 Conduct of Business**
- 10.1 With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Amalgamating Company 2 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Amalgamated Company 2;
- (b) all profits and income accruing or arising to the Amalgamating Company 2, and losses and expenditure arising or incurred by the Amalgamating Company 2 for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company 2;
- (c) any of the rights, powers, authorities or privileges exercised by the Amalgamating Company 2 shall be deemed to have been exercised by the Amalgamating Company 2 for and on behalf of, and in trust for and as an agent of the Amalgamated Company 2. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company 2 shall be deemed to have been undertaken for and on behalf of and as an agent of the Amalgamated Company 2;
- (d) all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, taxes withheld/paid in a foreign country, sales tax, excise duty, customs duty, service tax, VAT, tax refunds) payable by or refundable to the Amalgamating Company 2, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Amalgamating Company 2) as the case may be, of the Amalgamated Company 2, and any unabsorbed tax losses and depreciation, etc., as would have been available to the Amalgamating Company 2 on or before the Effective Date, shall be available to the Amalgamated Company 2 upon the Scheme coming into effect; and
- 11.0 Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Company 2 on or before the Appointed Date or after the Appointed Date till the Effective Date. The Amalgamated Company 2 accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Company 2.
- 12.0 Consideration**
- 12.1 The Amalgamated Company 2 shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Amalgamating Company 2 whose name is recorded in the register of members of the Amalgamating Company 2 on the Record Date in the following ratio ("**Share Exchange Ratio**"):
- "1 (One) fully paid up equity shares of Rs. 2 (Rupees Two) each of Amalgamated Company 2 for every 1 (One) fully paid equity share of Rs. 2 (Rupees Two) each held by such shareholder in Amalgamating Company 2."**
- 12.2 The Share Exchange Ratio has been arrived at on basis of the valuation report of Sharp & Tannan, an independent chartered accountant. Centrum Capital Limited, an independent merchant banker has provided a fairness report on the fairness of the Share Exchange Ratio determined for the vesting of the Undertaking into Amalgamated Company 2. Based on the recommendations of the Audit Committee of the Amalgamating Company 2, the valuation report and fairness report as aforesaid have been duly approved by the board of directors of each of the Amalgamating Company 2 and the Amalgamated Company 2.

- 12.3 The equity shares to be issued and allotted by the Amalgamated Company 2 in terms of Clauses 12.1 above shall be subject to the provisions of the Memorandum and Articles of Association of Amalgamated Company 2 and shall rank *pari passu* in all respects with the existing equity shares of Amalgamated Company 2.
- 12.4 The new equity shares issued pursuant to Clause 12.1 above shall be issued in the dematerialized form by Amalgamated Company 2 unless otherwise notified in writing by the shareholders of the Amalgamating Company 2 to Amalgamated Company 2 on or before such date as may be determined by the board of directors of Amalgamated Company 2 or a committee thereof. In the event, such notice has not been received by Amalgamated Company 2 in respect of any of the members of Amalgamating Company 2, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Amalgamating Company 2 shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Amalgamated Company 2 shall issue and directly credit the dematerialized securities account of such members of Amalgamating Company 2. In the event that Amalgamated Company 2 has received the notice from any of the shareholders of Amalgamating Company 2 that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then Amalgamated Company 2 shall issue the new equity shares in certificate form in such number.
- 12.5 The equity shares to be issued pursuant to this Scheme by Amalgamated Company 2 in respect of the equity shares of Amalgamating Company 2 which are held in abeyance under the provisions of Section 126 of the 2013 Act and/or applicable provisions of 1956 Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Amalgamated Company 2.
- 12.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Amalgamating Company 2, the Board of Directors or any committee thereof, of Amalgamating Company 2 at the sole discretion shall be empowered in appropriate cases, prior to or even subsequent to the Effective Date as the case may be to effectuate such a transfer in Amalgamating Company 2 as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Amalgamated Company 2 shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Amalgamated Company 2 on account of difficulties faced in the transition period.
- 12.7 The equity shares issued to the shareholders under Clause 12.1 will be listed and admitted for trading and the Amalgamated Company 2 shall comply with the requirements of the SEBI Circular and take all steps to get the equity shares issued pursuant to the Scheme listed on NSE and BSE on which the equity shares of the Amalgamating Company 2 are listed, in accordance with relevant regulations. However, it is further clarified that the Amalgamated Company 2 shall have the benefit of any fees and amounts paid by the Amalgamating Company 2 to the Stock Exchanges in relation to its listing and other processes under applicable law till the Effective Date and no separate filing fees would be required to be paid by the Amalgamated Company 2 in respect of the same.
- 12.8 The equity shares of the Amalgamated Company 2 issued in terms of this Scheme shall pursuant to the SEBI Circular and subject to compliance with requisite formalities be listed and/or admitted to trading on the relevant stock exchange(s) where the existing equity shares of the Amalgamating Company 2 are listed and/or admitted to trading, i.e., BSE and NSE. The Amalgamated Company 2 shall enter into such arrangement and issue such confirmations and/or undertakings as may be necessary in accordance with the applicable law or regulation for the above purpose.
- 12.9 The equity shares in the Amalgamated Company 2 allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 12.10 Post the issue of shares pursuant to Clause 12.1, there shall be no change in the shareholding pattern or control in the Amalgamated Company 2 between the record date and the listing which may affect the status of the approval by the Stock Exchanges.
- 12.11 In the event the shares of the Amalgamated Company 2 including shares issued to the Promoters' of Amalgamating Company 2 pursuant to the Clause 12.1 above are subject to lock-in under the SEBI Circular then subject to applicable laws, the shares kept under lock-in may be pledged with Scheduled Commercial Bank or Public Financial Institution as collateral security and shares may also be transferred within the promoters' group during such lock-in period.
- 12.12 In the event that the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 12.13 The issue and allotment of equity shares by Amalgamated Company 2 to the equity shareholders of Amalgamating Company 2 as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Amalgamated Company 2 as if the procedure laid down under Section 62(1)(c) of the 2013 Act and any other applicable provisions of the 1956 Act or 2013 Act were duly complied with.
- 13.0 Accounting Treatment**
- 13.1 The Amalgamated Company 2 shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company 2) and liabilities of the Amalgamating Company 2 vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard - 14 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act. Equity shares of the Amalgamated Company 2 held by Amalgamating Company 2 shall not be recorded by the Amalgamated Company 2 as assets and shall be cancelled pursuant to Clause 14.
- 13.2 The Amalgamated Company 2 shall record issuance of shares at fair value and accordingly credit to its Share Capital Account the aggregate face value of the equity shares issued on Amalgamation. The excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Reserve. The Securities Premium Reserve so credited shall be available for issuance of bonus shares in accordance with applicable laws.
- 13.3 To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Amalgamating Company 2 and the Amalgamated Company 2 (including, without limitation, an amount of Rs. 15 Crores (Rupees Fifteen Crores) being the amount outstanding to be discharged by the Amalgamated Company 2 to the Amalgamating Company 2 as consideration in accordance with Clause 4.0 of Chapter 2 of the Scheme upon transfer of ETP Undertaking pursuant to Clause 1.0 of Chapter 2 of the

Scheme), the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Amalgamated Company 2 as well as Amalgamating Company 2 for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

- 13.4 Excess, if any, of the consideration, viz., fair value of new shares issued over the fair value of Net Assets (including identifiable intangible assets, if any, whether or not recorded in the books of accounts) taken over and recorded will be recognized as goodwill in accordance with Accounting Standard- 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Amalgamated Company 2.
- 13.5 The Amalgamated Company 2 shall record in its books of account, all transactions of the Amalgamating Company 2 in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.
- 13.6 All costs and expenses incurred as per Clause 11 of Chapter 5 below as well as other costs incidental with the finalization of this Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme, shall be charged to Profit and Loss Account with exception of the following cost and expenses, which will be accounted in the books of the Amalgamated Company 2 as under:

Stamp duty payable, if any, on the basis of value of immovable properties of the Amalgamating Company 2 transferred to the Amalgamated Company 2 shall be capitalized in the books of the Amalgamated Company 2 with the said fixed assets in accordance with Accounting Standard - 10 "Accounting of Fixed Assets".
- 13.7 The intangible assets and/or goodwill (if any) transferred/arising on Amalgamation, as aforesaid, shall be amortized in the books of the Amalgamated Company 2 over the useful life as may be determined by the Board.
- 13.8 The Board of Directors may adopt any other accounting treatment for the Amalgamation which is in accordance with Accounting Standards notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of 2013 Act.

14.0 Reduction of Share Capital

Upon allotment of shares by the Amalgamated Company 2 in terms of Clause 12.1, the existing shareholding of the Amalgamating Company 2 in the Amalgamated Company 2, shall, without any consideration and without any further act or deed, be cancelled as an integral part of this Scheme, in accordance with provisions of Sections 100 to 103 of the 1956 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the 1956 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable, for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the 1956 Act or the other relevant provisions of the 2013 Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Amalgamated Company 2, the Amalgamated Company 2 shall not be required to add "And Reduced" as suffix to its name.

15.0 Dissolution of the Amalgamating Company 2

Upon the coming into effect of the Scheme, the Amalgamating Company 2 shall, without any further act, instrument or deed, stand dissolved without winding-up.

CHAPTER 5 – OTHER TERMS AND CONDITIONS

1.0 Combination of Authorised Share Capital

As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised share capital of the Amalgamating Companies as on the Effective Date shall, without any further act, instrument or deed or payment of additional fees payable to the Registrar of Companies or stamp duty, stand transferred to and be merged with the authorised share capital of the Amalgamated Company 2.

2.0 Reorganisation and Combination of the Share Capital

- 2.1 Clause V of the Memorandum of Association of the Amalgamated Company 2 shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13 and 62 of the 2013 Act and Section 394 of the 1956 Act and other applicable provisions of the 1956 Act and 2013 Act, as the case may be and be replaced by the following clause:

*"The Authorised Share Capital of the Company is Rs 21,05,00,000 (Rupees Twenty One Crores and Five Lacs only) divided into 10,52,50,000 (Ten Crores Fifty Two Lacs Fifty Thousand only) Equity Shares of Rs 2/- (Rupees Two only) each, with rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company. The Company shall have the power to increase or reduce its capital for the time being and to consolidate, divide or sub-divide and re-classify the shares in such capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as to dividend, voting or otherwise and to vary, modify or abrogate any such rights, privileges or conditions in accordance with the provisions of the Act and Articles of the Company and issue Shares of higher or lower denominations."*²

- 2.2 However, it is clarified that in the event that the Companies restructure or increase their authorised share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the clause of Memorandum of Association of the Amalgamated Company 2 reproduced in Clause 2.1 above shall be amended accordingly to take into account the effect of any such corporate actions.
- 2.3 It is further clarified that the approval of the members of the Amalgamated Company 2 to the Scheme shall be deemed to be their consent/ approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association, under the provisions of Section 13 and 62 of the 2013 Act and other applicable provisions of the 2013 Act and 1956 Act.

² The post amalgamation combined authorised share capital of Carbogen Amcis (India) Limited is subject to change pursuant to approval of bonus issue by the shareholders of Dishman Pharmaceuticals and Chemicals Limited.

3.0 Change of Name of Amalgamated Company 2

Upon this Scheme becoming effective, the name of Amalgamated Company 2 shall be deemed to have been changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited" in accordance with Section 13 of the 2013 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable. It is hereby clarified that for the purposes of this clause, the consent of the shareholders of the Amalgamated Company 2 and Amalgamating Company 2 to this Scheme shall be deemed to be sufficient for the purposes of effecting the name change and that no further resolution under Section 13 of 2013 Act or any other applicable provisions of the 1956 Act or the 2013 Act, as applicable, would be required to be separately passed. Pursuant to this Scheme, the Amalgamated Company 2 shall file the requisite forms with the Registrar of Companies for change of its name.

4.0 Change in Object Clause of Amalgamated Company 2

4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Amalgamated Company 2 shall stand amended.

4.2 The following sub clause shall be inserted after sub-clause 1 Clause III A of the Main Object of the Memorandum of Association of the Amalgamated Company 2:

- "2. *To carry on business of manufacturers, dealers, buyers, sellers, importers and exporters of pharmaceuticals, medical and chemical preparations (including synthetic and other vitamin preparations) and drugs, compounds such as yeats, vitamins, hormones, protein, aminoacids, preparations containing minerals and medicines.*
3. *To manufacture, buy, sell, import, export and otherwise deal in all types of medical and Surgical instruments, equipments, tools and machineries.*
4. *To carry on the business either itself and/or for others as manufacturers, representatives, dealers, factors, agents, stockists, suppliers, consultants, exporters, importers, traders, wholesalers, retailers, packers, general druggists, distributors, to markets, assemble distribute/redistribute, pack, repack, store all kinds, types, nature and description of pharma formulators in compressed tablet manufacturing, Simultaneously, bulk drug, liquid drugs, drug intermediates, fine chemicals, dyes intermediates, custom synthesis, pharmaceutical formulations, medicines, common medical preparations, disinfection formulation, spirits, mixtures, powder, medicates, cosmetics, tablets, pills, capsules, antibiotic, vitamins, multi vitamins, vitamin preparations, medicine coating, contraceptives, vaccines, veterinary medicines and preparations, tinctures, inactions, water for injections, ointments, lotions, triturations, globules, tonics in the form of injectable and transfusion solutions, compounds, syrups, granules, drops, platers, adhesives, inhaler, inharub, health products, mother tinctures, glucose, nourishment foods, auxiliaries for human and/or animals, birds, insects, consumption and application prescribed under any branch of medicine including allopathy, homeopathy, herbal, ayurved, unani, naturopathy osteopathy for oral, intra muscular, intra dermal, parenteral and external application under any therapy for whatever purposes such as prevention, cure prophylactic and nourishments."*

4.3 It shall be deemed that the members of the Amalgamated Company 2 and Amalgamating Company 2 have also resolved and accorded all relevant consents under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable, for the amendments of the Memorandum of Association of the Amalgamated Company 2 as above. Pursuant to this Scheme, the Amalgamated Company 2 shall file the requisite forms with the Registrar of Companies for alteration of its main objects and the consequent amendment of the Memorandum of Association.

5.0 Conditions to effectiveness of the Scheme

5.1 The Scheme is conditional upon and subject to:

- (i.a) this Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, as applicable, of the Companies as required under the 1956 Act or the 2013 Act, as applicable, and the requisite order of the High Court being obtained, or dispensation having been received from the High Court in relation to obtaining such consent from the shareholders and/or creditors, as applicable;
- (i.b) such other approvals and sanctions including sanction of any Governmental Authority including the RBI, as may be required by law or material contract in respect of the Scheme;
- (i.c) the High Court having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to the Companies; and
- (i.d) such certified/authenticated copy of the Order of the High Court being filed with the Registrar of Companies, Ahmedabad.

5.2 In case any of the conditions in the Scheme are not satisfied or waived, then the Companies shall be at liberty to withdraw the Scheme.

6.0 Dividend

6.1 The Companies 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.

6.2 The holders of the shares of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

6.3 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 Companies to demand or claim any dividends which, subject to the provisions of the 1956 Act or the 2013 Act, as applicable, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and subject to the approval, if required, of the respective members of the Companies.

7.0 Applications

7.1 The Companies shall make necessary applications before the High Court for the sanction of this Scheme under Sections 391 to 394, Section 100 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act, as applicable, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective shareholders and/or creditors and for sanctioning this Scheme with such modifications, as may be approved by the Court.

7.2 The Amalgamated Company 2 shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Amalgamated Company 2 may require to carry on the business of the Amalgamating Companies.

8.0 Modifications to the Scheme

The Companies (by their 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 High Court and/or any other Governmental Authority may deem fit 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 Companies 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 purposes 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; or
- (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 pertains to the Amalgamating Companies or not, on the basis of any evidence that they may deem relevant for this purpose.

9.0 When the Scheme comes into operation

9.1 The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date. It is clarified that sequentially the Scheme shall come into effect Chapter-wise i.e. Chapter 2, followed by Chapter 3 and thereafter Chapter 4.

9.2 With effect from the Effective Date, the Amalgamated Company 2 shall carry on and shall be authorized to carry on the businesses of the Amalgamating Companies. For the purposes of giving effect to the order of the High Court under Section(s) 391 to 394, Section 100 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act as applicable, approving the Scheme, the Amalgamated Company 2 shall at any time pursuant to such orders be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Amalgamating Companies in accordance with the provisions of the Section(s) 391 to 394 of the 1956 Act or the relevant provision of the 2013 act as applicable. The Amalgamated Company 2 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.

9.3 The Amalgamated Company 2 shall be entitled to, amongst other, file/ or revise its income tax returns, TDS/TCS returns, wealth tax returns, service tax, excise, VAT, entry tax, professional tax or any other statutory returns, if required, claim credit for advance tax paid, tax deducted 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 Amalgamated Company 2 previously disallowed in the hands of Amalgamating Companies under the Income Tax Act, credit of tax under Section 115JB read with Section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld etc., if any, pertaining to the Amalgamating Companies 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 Amalgamated Company 2 shall have the right 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, or on behalf of, the Amalgamating Companies relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Amalgamated Company 2 and the Amalgamated Company 2 shall be entitled to claim credit or refund for such taxes or duties.

9.4 Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Amalgamating Companies, including any taxes paid and taxes deducted at source and deposited by the Amalgamating Companies on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Amalgamated Company 2 and shall be available to the Amalgamated Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by the Amalgamating Companies on transactions other than inter se transactions during the period between Appointed Date and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Amalgamated Company 2. Any TDS deducted by, or on behalf of, the Amalgamating Companies on inter se transactions will be treated as tax deposited by the Amalgamated Company 2.

9.5 Transfer and vesting of assets and liabilities of the Transferor Company and Amalgamating Companies (including intangible assets, whether or not recorded in the books) as the case may be in terms of Chapter 2, 3 and 4 is not a sale in the course of business or otherwise.

10.0 Severability

10.1 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.

10.2 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Companies and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

11.0 Costs

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by the Companies in relation to or in connection with the Scheme and incidental to the completion of the Slump Sale and Amalgamation in pursuance of the Scheme shall be borne by Amalgamating Company 2 and/or Amalgamated Company 2 as the case may be.

CENTRUM

February 23, 2016

The Board of Directors
Dishman Pharmaceuticals & Chemicals Limited
Bhadr-Raj Chambers,
Swastik Cross Road, Navrangpura,
Ahmedabad - 380009, Gujarat

Dear Members of the Board,

Centrum Capital Ltd have been informed that the Board of Directors of Dishman Pharmaceuticals & Chemicals Ltd ("DPCL"), Dishman Care Ltd ("DCL") and Carbogen Amcis (India) Ltd ("CAIL") are considering Scheme of Arrangement & Amalgamation with effect from the Appointed Date of January 1st 2015

This Scheme of Arrangement & Amalgamation ("Scheme") provides for:

- (i) Transfer and vesting of ETP Undertaking (as defined hereinafter) of DPCL into CAIL by way of Slump Sale (as defined hereinafter)
- (ii) Amalgamation of DCL with DPCL pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956
- (iii) Amalgamation of DPCL with CAIL pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956
- (iv) Subject to satisfactory fulfilment and accomplishment of (i), (ii) and (iii) above, reduction in the share capital of DCL & DPCL under the provisions of Sections 100-104 of the Companies Act, 1956.
- (v) Subject to satisfactory fulfilment and accomplishment of (i), (ii), (iii) and (iv) above, change of name of CAIL to Dishman Carbogen Amcis Limited.

The total consideration for transfer of the ETP undertaking of DPCL to CAIL shall be Rs.15 Crs.

No consideration for amalgamation of DCL with DPCL as DCL is a wholly owned subsidiary of DPCL & hence upon the Scheme being effective and dissolution of DCL the equity shares held by DPCL in DCL shall be cancelled and stand extinguished.

The consideration for amalgamation of DPCL into CAIL shall be "1 (One) Equity Share of the face value of Rs.2/- each of CAIL, for every 1 (One) Equity Share of the face value of Rs.2/- each held in DPCL"

In connection with the aforesaid DPCL has appointed Centrum Capital Ltd ("Centrum") to provide fairness opinion on Valuation report dated February 23, 2016 submitted by M/s Sharp and Tannan, Chartered Accountants ("Valuer") an Independent Chartered Accountant with respect to the Scheme of Arrangement & Amalgamation

BACKGROUND

Dishman Pharmaceuticals and Chemicals Limited: DPCL is a public company limited by shares incorporated in 1983 under the provisions of the Companies Act, 1956. The issued & paid up equity share capital of DPCL as on 31st December 2015 was Rs. 16,13,94,272 divided into 8,06,97,136 equity shares of Rs. 2/- each and listed on BSE Ltd. and National Stock Exchange of India Limited.



Centrum Capital Limited, (CIN No: L65990MH1977PLC019986)

Corporate Office: Centrum House, CST Road, Viharwadi Area, Khar, Santacruz (East), Mumbai - 400 098. Tel: +91 22 4215 7000 Fax: +91 22 4215 9533 / 9316 Website: www.centrum.co.in Registered Office: 1st Floor, Bombay Mutual Building, Dr. D N Road, Fort, Mumbai - 400 001 Tel: +91 22 2266 2434 Fax: +91 22 2266 1105 e-mail: info@centrum.co.in Website: www.centrum.co.in

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The company is engaged in following

- Contract Research and Manufacturing Services
- Manufacture and supply of marketable molecules such as specialty chemicals, vitamins & chemicals and disinfectants

Dishman Care Ltd: DCL is a limited non-listed company, incorporated in 2010. It is a wholly owned subsidiary of DPCL with its registered office in Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat. The issued & paid-up equity share capital of DCL as on 31st December 2015 was Rs. 5,00,000 divided into 250,000 equity shares of Rs. 2/- each.

The company is engaged in engaged in market research, development and marketing of disinfectant products to be manufactured by Dishman Pharmaceuticals and Chemicals Limited.

Carbogen Amcis (India) Ltd: CAIL is a limited non-listed company incorporated in 2007. It is a wholly owned subsidiary of DPCL with its registered office in Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat. The issued & paid-up equity share capital of CAIL as on 31st December 2015 was Rs. 5,00,000 divided into 250,000 equity shares of Rs. 2/- each

The company is engaged in engaged in research and development, including regulatory filings of certain pharmaceutical molecules for some of the overseas subsidiaries of Dishman Pharmaceuticals and Chemicals Limited

ETP Undertaking shall mean DPCL's undertaking, business, activities and operations pertaining to its Water Treatment Systems - Effluent Treatment Plants ("ETP") for treatment of Low COD (Chemical Oxygen Demand) waste at Bavla, ETP for treatment of High COD waste at Bavla (termed as Zero Discharge System) and ETP for treatment of Low COD waste at Naroda, and shall also include but not limited to the following:

- All assets (wherever situated), whether movable or immovable including land and building, capital work in progress, tangible or intangible, real or personal, corporeal and incorporeal, including furniture, fixtures, vehicles, stocks and inventory, office equipment, appliances, accessories, unquoted investments, leasehold assets, easements and other properties, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, together with all present and future liabilities (including contingent liabilities, if any) pertaining to the ETP Undertaking;
- All rights, entitlements, approvals, licenses, consents, permissions, brands, logos, engagements, arrangements, municipal permissions belonging to or proposed to be utilized for the ETP Undertaking;
- All secured and unsecured debts, liabilities (including contingent liabilities), duties, undertakings and obligations pertaining to the ETP business of every kind, nature and description whatsoever and howsoever arising in connection with or relating to the ETP Undertaking;
- All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders or other instruments of whatsoever nature to which DPCL is a party, exclusively relating to ETP Undertaking,

business, activities and operations pertaining to its ETP Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the DPCL in relation to its ETP Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, if any, and all other rights, title, interests, privileges and benefits of every kind in relation to its ETP Undertaking;

- All registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the DPCL in ETP Undertaking, business, activities and operations pertaining to the ETP Undertaking;
- All employees of DPCL employed in the ETP Undertaking as identified by the Board of Directors of DPCL, as on the Effective Date;
- All records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, labels lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the ETP Undertaking.

RATIONALE OF THE PROPOSED SCHEME OF ARRANGEMENT & AMALGAMATION

This Scheme is expected to enable better realisation of potential of the businesses of the Companies and yield beneficial results and enhanced value creation for the Companies, their respective shareholders, creditors and employees. The rationale for the proposed Scheme is set out below:

- Consolidation of the business and simplification of the group structure. Further, the amalgamation will provide a high level of synergistic integration of operations and better operational management.
- Through the "One Company, Two Brands" strategy, the group has been delivering complex solutions suiting the diverse needs of the global customers. The proposed Scheme re-emphasises the strategy of "One Company, Two Brands" with both "Dishman" and "Carbogen Amcis" brands being reflected in the trade name of one company.
- Synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements (as all as assets, tangible and intangible, including those not recorded in the books of the amalgamating company, and liabilities of the amalgamating company shall be taken over by the amalgamated company and recorded at their respective fair values), leading to improved alignment of debt and enhancement in earnings and cash flow.
- The amalgamated company would be able to better leverage on its large network base and have enhanced business potential and increased capability to offer a wider portfolio of products and services with a diversified resource base and deeper client relationships.

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- It would result in financial resources being efficiently merged and pooled leading to more effective and centralised management of funds, greater economies of scale, stronger base for future growth and reduction of administrative overheads (i.e. cost rationalization), which are presently being divided and dissipated between multiple separate entities. The amalgamation shall lead to greater efficiency in management of the businesses, simplicity and reduction in regulatory compliances and cost.
- It will improve and consolidate internal controls and functional integration at various levels of the organisation such as information technology, human resources, finance, legal and general management leading to an efficient organisation capable of responding swiftly to volatile and rapidly changing market scenarios.
- It will facilitate debt consolidation which will improve the debt servicing abilities through improved cash flows.
- It would enhance the value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of DPCL built up over approximately three decades of experience, enhanced scale of operations and sharper focus.

BASIS OF OPINION

The scheme provides for the following

- Slump Sale of the ETP Undertaking from DPCL to CAIL as a going concern; ("Slump Sale"):** Based on the valuation report of the Fair Market value of the assets and liabilities comprised in the ETP Undertaking provided, the value of the ETP Undertaking is Rs. 15 Crs.
- Amalgamation of DCL with DPCL:** As a consideration for amalgamation no new shares will be issued as DCL is a wholly owned subsidiary of DPCL & hence upon the Scheme being effective and dissolution of DCL the equity shares held by DPCL in DCL shall be cancelled and stand extinguished.
- Amalgamation of DPCL with CAIL:** DPCL holds 100% of the paid up capital of CAIL. Hence upon the Scheme being effective and dissolution of DPCL, the equity shares held by DPCL in CAIL shall be cancelled and stand extinguished. As a consideration for the transfer, equity shares of CAIL shall be issued to the equity shareholders of DPCL and the same shall rank pari-passu. The existing equity share capital of CAIL shall be cancelled and the shareholders of DPCL will become the only shareholders of CAIL, thus CAIL will then get a mirror reflection in the capital structure as that of DPCL.

The exchange ratio is based on the Valuation report dated February 23, 2016 submitted by M/s Sharp and Tannan, Chartered Accountants an Independent Chartered Accountant.

Centrum has taken the foregoing facts (together with the other facts and assumptions set forth in the section Limitation of Scope and Review) into account when determining the meaning of "fairness" for the purpose of this opinion.

LIMITATION OF SCOPE AND REVIEW

The Fairness Opinion only aims to represent that the Swap Ratio as contained in the Opinion is fair and further that the Fairness Opinion shall be valid only for a limited period of time post Centrum's assessment of the relevant information. The Fairness Opinion may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity. Fairness Opinion assessment and the Opinion is specific to the date of this report. As such, the Opinion is, to a significant extent, subject to continuance of current trends beyond the date of the report.

Centrum's opinion and analysis is limited to the extent of review of documents as provided to Centrum by DPCL, DCL and CAIL including the Valuation report dated February 23, 2016, submitted by the Valuer and the draft Scheme

Centrum has relied upon the accuracy and completeness of all information and documents provided including Audited Annual Accounts of DPCL, DCL and CAIL for period FY 2012-13 to FY 2014-15, - limited review financial results of DPCL, audited financial results of DCL and CAIL for nine-month ended December 31, 2015 and Financial Projections as provided by DPCL without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. Centrum has not conducted any independent valuation or appraisal of any of the assets or liabilities of DPCL and/or its subsidiaries. In particular Centrum does not express any opinion as to the value of any asset of DPCL and/or its subsidiaries whether at current prices or in the future.

No investigation of the Companies claim to title of assets has been made for the purpose of the exercise and the Companies claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. No due diligence into any right, title or interest in property or assets was undertaken and no responsibility is assumed in this respect or in relation to legal validity of any such claims.

Centrum's opinion is not and should not be construed as Centrum's opining or certifying the compliance of the proposed Arrangement and Amalgamation with the provisions of any law including companies, taxation and related laws or as regards any legal implications or issues arising from such proposed amalgamation.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Centrum does not express any opinion as to the price at which shares of DPCL may trade at any time, including subsequent to the date of this opinion. In rendering the opinion Centrum has assumed that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions and that in course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have adverse effect on DPCL and/or its subsidiaries and their respective shareholders.

Centrum has also not opined on the fairness of any terms and conditions of the Scheme other than the fairness, from financial point of view, of the consideration for the slump sale and the share exchange ratio for the purpose of amalgamation. We acknowledge that this Fairness Opinion will be shared to the extent as may be required, with relevant High Court/Tribunal, stock exchanges, advisors of the Companies as well as with statutory authorities in relation to the proposed Scheme.

Centrum assume no responsibility for updating or revising its opinion based on circumstances or events occurring after the date hereof. Centrum's opinion is specific to arrangement and

CENTRUM

amalgamation as contemplated in the Scheme as provided to Centrum and is not valid for any other purpose. It is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein.

Save and except for DPCL, Centrum owes no responsibility to any person in connection with this Fairness Opinion. It may be noted that Centrum's liability in connection with this Fairness Opinion shall be limited only to the extent of fees received for the purpose of this engagement. Centrum does not accept any liability to any third party in relation to the issue of this Fairness Opinion. Neither this Fairness Opinion nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without Centrum's prior written consent. Centrum retains the right to deny permission for the same.

In the ordinary course of business, Centrum and its affiliates are engaged in securities trading, securities brokerage and investment activities as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Centrum and its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the proposed Scheme.

VALUER'S RECOMMENDATION

The total consideration for transfer of the ETP undertaking of DPCL to CAIL shall be Rs.15 Crs

No consideration for amalgamation of DCL with DPCL as DCL is a wholly owned subsidiary of DPCL & hence upon the Scheme being effective and dissolution of DCL the equity shares held by DPCL in DCL shall be cancelled and stand extinguished.

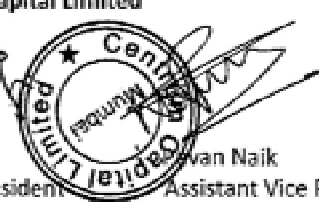
Consideration for amalgamation of DPCL with CAIL will be 1 (One) Equity Share of the face value of Rs.2/- each of CAIL, for every 1 (One) Equity Share of the face value of Rs.2/- each held in DPCL.

OPINION

Having regard to all relevant factors, on the basis of information provided and explanations given to Centrum by the Companies and Valuer, Centrum is of the opinion on the date hereof to the best of its knowledge and belief, that the above recommendation by M/s Sharp & Tannan, Chartered Accountants is fair considering that all shareholders of DPCL are and will upon the Arrangement and Amalgamation be the ultimate beneficial owners of CAIL in exactly the same ratio as they hold in DPCL.

Yours truly,
For Centrum Capital Limited


Gaurav Saravgi
Senior Vice President


Anjan Naik
Assistant Vice President

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8th April, 2016

To, The Manager, Listing Department, National Stock Exchange of India Ltd. "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	To, Department of Corporate Services Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
Ref. : (i) Symbol – DISHMAN (ii) Series – EQ (iii) ISIN No: INE353G01020	Ref.: (i) Scrip Code No. : 532526 (ii) ISIN No: INE353G01020

Dear Sir / Madam,

Sub: Submission of Complaint Report

With reference to our application on scheme of arrangement and amalgamation among Dishman Pharmaceuticals and Chemicals Limited, Dishman Care Limited and Carbogen Amcis (India) Limited please find enclosed herewith the complaints report dated 8th April 2016 for the period from 17th March, 2016 to 7th April, 2016 as per format prescribed in Annexure III of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015.

Kindly take this on your record.

For Dishman Pharmaceuticals and Chemicals Ltd

Harshil R. Dalal

Harshil Dalal

Sr. V.P. (Finance & Accounts)



Encl : As above

Dishman Pharmaceuticals and Chemicals Limited

Registered Office: Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad – 380 009 India.

Tel: +91 (0) 79 26443053 / 26445807 Fax: +91 (0) 79 26420198

Email: dishman@dishmangroup.com Web: www.dishmangroup.com

Government Recognised Export House

CIN NO L24230GJ1983PLC006329



Complaint Report

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock exchanges	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part A

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
N.A.			

Date : 8th April, 2016

Place : Ahmedabad

For Dishman Pharmaceuticals and Chemicals Ltd



Harshil Dalal

Sr. V.P. (Finance & Accounts)

Dishman Pharmaceuticals and Chemicals Limited

Registered Office: Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380 009 India.

Tel: +91 (0) 79 26443053 / 26445807 Fax: +91 (0) 79 26420198

Email: dishman@dishmangroup.com Web: www.dishmangroup.com

Government Recognised Export House

CIN NO L24230GJ1983PLC006329

DCS/AMAL/MN/24(f)/385/2016-17
May 12, 2016

The Company Secretary
Dishman Pharmaceuticals & Chemicals Ltd.
Bhadra Raj Chambers, Swastik Cross Road,
Navrangpura, Ahmedabad, Gujarat, 380009.



Sub: Observation letter regarding the Draft Scheme of Arrangement between Dishman Pharmaceuticals & Chemicals Ltd, Carbogen Amics (India) Limited and Dishman Care Limited.

We are in receipt of Draft Scheme of Arrangement between Dishman Pharmaceuticals & Chemicals Ltd, Carbogen Amics (India) Limited and Dishman Care Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated May 11, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"Company shall duly comply with various provisions of the Circulars."***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

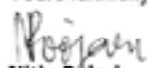
Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

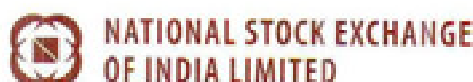
Yours faithfully,


Nitin Pujari
Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 | E: corp.com@bseindia.com | www.bseindia.com
Corporate Identity Number : U67120PB12005PLC155188

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Ref: NSE/LIST/72666

May 12, 2016

The Sr. V. P. (Finance & Accounts)
Dishman Pharmaceuticals and Chemicals Limited
Bhadr Raj Chambers,
Swastik Cross Roads, Navrangpura,
Ahmedabad - 380009

Kind Attn.: Mr. Harshil Dalal

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited and Carbogen Amcis (India) Limited and Dishman Care Limited and their respective shareholders and creditors

This has reference to draft Scheme of Arrangement and Amalgamation (Under Sections 391 To 394 Read With Section 100 and other Applicable Provisions of The Companies Act, 1956 and Companies Act, 2013) amongst Dishman Pharmaceuticals and Chemicals Limited and Carbogen Amcis (India) Limited and Dishman Care Limited and their respective shareholders and creditors submitted to NSE vide letter dated March 8, 2016.

Based on our letter reference no Ref: NSE/LIST/69706 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI vide letter dated May 11, 2016, has commented that *"The Company shall duly comply with various provisions of the Circular"*.

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the listing of equity shares of Carbogen Amcis (India) Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. Further, Carbogen Amcis (India) Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing such company and also comply with other applicable statutory requirements. However, the listing of shares of Carbogen Amcis (India) Limited is at the discretion of the Exchange.

The listing of Carbogen Amcis (India) Limited, pursuant to the Scheme of Amalgamation shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Carbogen Amcis (India) Limited and its group companies in line with the disclosure requirements applicable for public through website of the Company.

I.



Continuation Sheet

2. To publish an advertisement in the newspaper containing all the information about Carbogen Amcis (India) Limited in line with the details required as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all material information about Carbogen Amcis (India) Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosure about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - a. "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
 - b. "There shall be no change in the shareholding pattern or control in Carbogen Amcis (India) Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from May 12, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme.
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable, and
- f. Complaints Report as per Annexure III of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Samir Naringrekar
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporate/content/further_issues.htm

This Document Digitally Signed

2.



Signature: Samir Naringrekar
Date: 12, May 12, 2016 21:12:50 CMT+05:30
Location: NSE



Dishman Pharmaceuticals and Chemicals Limited

CIN : L24230GJ1983PLC006329

Regd. Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009, Gujarat

Tel. No.: 91-79-26443053, 26445807, Fax No.: 91-79-26420198

Email: grievance@dishmangroup.com Website: www.dishmangroup.com

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 279 OF 2016**

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 and other relevant provisions of Companies Act, 1956 and Companies Act, 2013;

And

In the matter of the Scheme of Arrangement and Amalgamation amongst:

Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited;

Dishman Pharmaceuticals and Chemicals Limited,
a company incorporated under the provisions of the Companies Act,
1956 and having its registered office at Bhadr-Raj Chambers, Swastik
Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat.

.... Applicant Company

FORM OF PROXY FOR MEETING OF THE SECURED CREDITORS

I, the undersigned, a Secured Creditor of the above company, hereby appoint _____ (name of the person), _____ of _____ and failing him _____ (name of the person), _____ of _____, as my proxy to act for me at the Court convened meeting of the Secured Creditors of the Applicant Company to be held at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat, on Friday, the 5th day of August, 2016, at 10:30 a.m., for the purpose of considering and if thought fit, approving with or without modification, Scheme of Arrangement and Amalgamation proposed to be made amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited and at such meeting and any adjournment thereof, to vote for me and in my name _____ [here, if 'for', insert 'for'; if 'against', insert 'against' and in the latter case, strike out the words below after 'Scheme of Arrangement and Amalgamation'] the said Scheme of Arrangement and Amalgamation either with or without modification as my proxy may approve.

[Strike out what is not necessary]

Dated this ____ day of _____, 2016

Signature of Secured Creditor _____

Signature of Proxy holder(s) _____

Affix
Re.1/-
Revenue
Stamp

Name: _____

Address: _____

Notes:

- 1) The Proxy Form must be deposited at the Registered Office of the Applicant Company at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat, at least 48 hours before the time for holding the meeting.
- 2) All alterations made in the Form of Proxy should be initialled.

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Dishman Pharmaceuticals and Chemicals Limited

CIN : L24230GJ1983PLC006329

Regd. Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009, Gujarat

Tel. No.: 91-79-26443053, 26445807, Fax No.: 91-79-26420198

Email: grievance@dishmangroup.com Website: www.dishmangroup.com

ATTENDANCE SLIP

I hereby record my presence at the Court convened meeting of the Secured Creditors of the Company, convened on Friday, the 05th day of August, 2016, at 10:30 a.m. at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015, Gujarat.

NAME OF THE SECURED CREDITOR (In Block Letters)	
REGISTERED ADDRESS (In Block Letters)	
EMAIL ID	
AMOUNT DUE AS PER THE BOOKS OF ACCOUNTS OF THE COMPANY	

Name and Address of the Proxy (to be filled in by the proxy attending instead of the Secured Creditors):

NAME (In Block Letters)	
ADDRESS (In Block Letters)	
EMAIL ID	

Signature of the Secured Creditors / Proxy

NOTE: Secured Creditors attending the Meeting in person or through Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

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Dishman Pharmaceuticals and Chemicals Limited

CIN : L24230GJ1983PLC006329

Regd. Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009, Gujarat

Tel. No.: 91-79 26443053, 26445807, **Fax No.:** 91-79-26420198

Email: grievance@dishmangroup.com **Website:** www.dishmangroup.com

COURT CONVENED MEETING OF THE UNSECURED CREDITORS

Day	Friday
Date	05th August, 2016
Time	11:00 a.m.
Venue	Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat

INDEX OF CONTENTS

Sr. No.	Contents	Page Nos.
1.	Notice for Court Convened Meeting of Unsecured Creditors of Dishman Pharmaceuticals and Chemicals Limited ("the Company")	3
2.	Explanatory Statement pursuant to Section 393 of the Companies Act, 1956	4
3.	Scheme of Arrangement and Amalgamation under Sections 391 to 394 read with Section 100 and other relevant provisions of Companies Act, 1956 and Companies Act, 2013 amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited, Dishman Care Limited and their respective shareholders & creditors.	11
4.	Copy of Fairness Opinion dated February 23, 2016 obtained from M/s. Centrum Capital Limited, Merchant Bankers	32
5.	Copy of Complaints Report dated April 8, 2016 submitted by the Company to BSE and NSE and also uploaded on the Company Website	39
6.	Copy of Observation Letter dated May 12, 2016 received from BSE Limited ('BSE') conveying no objection for filing the Scheme with the Gujarat High Court	41
7.	Copy of Observation Letter dated May 12, 2016 received from National Stock Exchange of India Limited ('NSE') conveying no objection for filing the Scheme with the Gujarat High Court	43
8.	Form of Proxy	45
9.	Attendance Slip	47

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Dishman Pharmaceuticals and Chemicals Limited

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Regd. Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009, Gujarat

Tel. No.: 91-79-26443053, 26445807, Fax No.: 91-79-26420198

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**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 279 OF 2016**

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 and other relevant provisions of Companies Act, 1956 and Companies Act, 2013;

And

In the matter of the Scheme of Arrangement and Amalgamation amongst:

Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited;

Dishman Pharmaceuticals and Chemicals Limited,

a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat.

.... Applicant Company

APPLICANT'S NOTICE FOR CONVENING MEETING OF THE UNSECURED CREDITORS OF THE APPLICANT COMPANY

To,

The Unsecured Creditors of Dishman Pharmaceuticals and Chemicals Ltd.

TAKE NOTICE THAT by an order made on 27/06/2016, the Hon'ble High Court of Gujarat has directed that a meeting of the Unsecured Creditors of the Applicant Company be held at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat, on Friday, the 5th day of August, 2016, at 11:00 a.m., for the purpose of considering and if thought fit, approving with or without modification, the Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited.

TAKE FURTHER NOTICE THAT in pursuance of the said order, a meeting of the Unsecured Creditors of the Applicant Company will be held at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat, on Friday, the 5th day of August, 2016, at 11:00 a.m., when you are requested to attend.

TAKE FURTHER NOTICE THAT you may attend and vote at the said meeting in person or by proxy, provided, that a proxy in the prescribed form duly signed by you is deposited at the registered office of the Applicant Company at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat, not later than 48 hours before the meeting.

This Court has appointed Shri Janmejy R. Vyas, and failing him, Shri Arpit J. Vyas, to be the chairman of the said meeting. The abovementioned arrangement, if approved by the meeting, will be subject to the subsequent approval of the Hon'ble High Court of Gujarat.

The following are enclosed herewith:

- a) Scheme of Arrangement and Amalgamation
- b) Explanatory statement under section 393
- c) Fairness Opinion
- d) Complaints Report filed with the Stock Exchanges
- e) Observation Letters of BSE Ltd and National Stock Exchange of India Ltd.
- f) Form of proxy
- g) Attendance Slip

Dated this 7th day of July, 2016.

Registered Office:

Bhadr-Raj Chambers, Swastik Cross Roads,
Navrangpura, Ahmedabad – 380 009.

Mr. Janmejy R. Vyas

Chairman appointed for the meeting

Note:

- (1) All alterations made in the form of the proxy should be initialled.
- (2) The authorised representative of a body corporate which is an Unsecured Creditor of the Applicant Company may attend and vote at the Unsecured Creditors' meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Unsecured Creditors' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
- (3) AN UNSECURED CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Applicant Company not less than 48 hours before the meeting.

Enclosed: as above

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 279 OF 2016

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 and other relevant provisions of Companies Act, 1956 and Companies Act, 2013;

And

In the matter of the Scheme of Arrangement and Amalgamation amongst:

Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited;

Dishman Pharmaceuticals and Chemicals Limited,
a company incorporated under the provisions of the Companies Act, 1956
and having its registered office at Bhadr-Raj Chambers, Swastik Cross
Road, Navrangpura, Ahmedabad- 380009, Gujarat.

.... Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 TO THE NOTICE OF THE COURT CONVENED MEETING OF THE UNSECURED CREDITORS OF THE APPLICANT COMPANY, FOR CONSIDERING AND APPROVING SCHEME OF AMALGAMATION AND ARRANGEMENT AMONGST DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED; CARBOGEN AMCIS (INDIA) LIMITED AND DISHMAN CARE LIMITED

1. This is a statement accompanying the Notice convening the meeting of the Unsecured Creditors of the Applicant Company, to be held at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015, Gujarat, on Friday, the 5th day of August, 2016, at 11:00 a.m., pursuant to Order dated June 27, 2016 passed by the Hon'ble High Court of Gujarat at Ahmedabad, for the purpose of considering, and if thought fit, approving, with or without modifications, the Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited ("**Applicant Company**" or "**DPCL**"); Carbogen Amcis (India) Limited ("**CAIL**") and Dishman Care Limited ("**DCL**"). The definitions contained in the Scheme shall also apply to this Explanatory Statement.

2. A copy of the Scheme setting out in detail, the terms and conditions of the Arrangement and Amalgamation, *inter alia*, providing for Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited; which has been duly approved by the Board of Directors of the Applicant Company, CAIL and DCL at their respective meetings held on 24th day of February 2016, is attached to this Explanatory Statement.

3. The resolution to be passed at the said meeting will read as follows:

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and enabling provisions in the Company's Memorandum of Association and Articles of Association and subject to the sanction of the High Court of Judicature at Gujarat at Ahmedabad and other regulatory authorities, if any, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Company, the proposed Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited ('the Scheme' or 'this Scheme'), placed before this meeting, be and is hereby approved;

RESOLVED FURTHER THAT Mr. Janmejy R. Vyas, Chairman & Managing Director, Mr. Arpit J. Vyas, Managing Director & Chief Financial Officer and Mr. Harshil Dalal, Sr. Vice President, Finance & Accounts, be and are hereby severally authorized to do all such acts, deeds and things as are considered requisite or necessary to effectively implement the Scheme and to accept such modification(s) and / or condition(s), if any, which may be required and / or imposed by the Hon'ble High Court of Judicature at Gujarat at Ahmedabad while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out the Scheme."

4. **BACKGROUND OF THE COMPANIES:**

4.1. Dishman Pharmaceuticals and Chemicals Limited (DPCL)

(a) DPCL was incorporated on 29th June, 1983 under the provisions of Companies Act, 1956 (hereinafter referred to as "the Act"), having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat. The equity shares of DPCL are listed on National Stock Exchange of India Ltd. ("NSE") and BSE Ltd. ("BSE") (collectively, the "Stock Exchanges").

(b) It is engaged in Contract Research and Manufacturing Services and manufacture and supply of marketable molecules such as specialty chemicals, vitamins & chemicals and disinfectants.

- (c) The Authorised, Issued, Subscribed and Paid up Share Capital of DPCL as on 31st May, 2016 is as under:

Share Capital	Amount (in Rs.)
Authorized	
16,50,00,000 Equity shares of Rs.2/- each	33,00,00,000
TOTAL	33,00,00,000
Issued, subscribed and paid-up	
16,13,94,272 Equity shares of Rs. 2/- each	32,27,88,544
TOTAL	32,27,88,544

There is no change in the share capital of DPCL since 31st May, 2016.

4.2 Dishman Care Limited (DCL)

- (a) DCL was incorporated on 19th March, 2010 under the provisions of the Act. DCL is an unlisted public limited company and its registered office is situated at 516, 5th Floor, Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat. The entire equity share capital of DCL is held by DPCL and its nominees.
- (b) It is engaged in market research, business development and marketing of disinfectant products to be manufactured by DPCL.
- (c) The Authorised, Issued, Subscribed and Paid up Share Capital of DCL as on 31st May, 2016 is as under:

Share Capital	Amount (in Rs.)
Authorized	
2,50,000 Equity Shares of Rs.2/- each	5,00,000
TOTAL	5,00,000
Issued, subscribed and paid-up	
2,50,000 Equity shares of Rs.2/- each	5,00,000
TOTAL	5,00,000

There is no change in the share capital of DCL since 31st May, 2016.

4.3 Carbogen Amcis (India) Limited (CAIL)

- (a) CAIL was incorporated on 17th July, 2007 under the provisions of the Act, having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380009. CAIL is an unlisted public limited company and its entire equity share capital is held by DPCL and its nominees.
- (b) It is engaged in research and development, including regulatory filings, of certain pharmaceutical molecules for some of the overseas subsidiaries of DPCL.
- (c) The Authorised, Issued, Subscribed and Paid up Share Capital of CAIL as on 31st May, 2016 was as under:

Share Capital	Amount (in Rs.)
Authorized	
50,00,000 Equity shares of Rs.2/- each	1,00,00,000
TOTAL	1,00,00,000
Issued, subscribed and paid-up	
2,50,000 Equity shares of Rs.2/- each	5,00,000
TOTAL	5,00,000

There is no change in the share capital of CAIL since 31st May, 2016.

5. RATIONALE OF THE SCHEME

- (i) Consolidation of the business and simplification of the group structure. Further, the amalgamation will provide a high level of synergistic integration of operations and better operational management.
- (ii) Through the "One Company, Two Brands" strategy, the group has been delivering complex solutions suiting the diverse needs of the global customers. The proposed Scheme re-emphasises the strategy of "One Company, Two Brands" with both "Dishman" and "Carbogen Amcis" brands being reflected in the trade name of one company.
- (iii) Synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements (as all assets, tangible and intangible, including those not recorded in the books of the amalgamating company, and liabilities of the amalgamating company shall be taken over by the amalgamated company and recorded at their respective fair values), and lead to improved alignment of debt and enhancement in earnings and cash flow.
- (iv) The amalgamated company would be able to better leverage on its large net worth base and have enhanced business potential and increased capability to offer a wider portfolio of products and services with a diversified resource base and deeper client relationships.
- (v) It would result in financial resources being efficiently merged and pooled leading to more effective and centralised management of funds, greater economies of scale, stronger base for future growth and reduction of administrative overheads (i.e. cost rationalization), which are presently being divided and dissipated between multiple separate entities. The amalgamation shall lead to greater efficiency in management of the businesses, simplicity and reduction in regulatory compliances and cost.
- (vi) It will improve and consolidate internal controls and functional integration at various levels of the organisation such as information technology, human resources, finance, legal and general management leading to an efficient organisation capable of responding swiftly to volatile and rapidly changing market scenarios.
- (vii) It will facilitate debt consolidation which will improve the debt servicing abilities through improved cash flows.

- (viii) It would enhance the value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of Dishman Pharmaceuticals and Chemicals Limited built up over approximately three decades of experience, enhanced scale of operations and sharper focus.

6. SALIENT FEATURES OF THE SCHEME

- 6.1 The Scheme of Arrangement and Amalgamation among DPCL, DCL and CAIL will take effect from "Appointed Date" i.e. 1st January, 2015 and *inter alia* provides for the following:
- a) Transfer and vesting of the ETP Undertaking (as defined hereinafter) of DPCL into CAIL by way of slump sale;
 - b) Followed by, amalgamation of DCL into and with DPCL in accordance with Section 2(1B) of the Income Tax Act, 1961;
 - c) Followed by, amalgamation of DPCL into and with CAIL in accordance with Section 2(1B) of the Income Tax Act, 1961.
- 6.2 The term **"ETP Undertaking"** shall mean the Transferor Company's undertaking, business, activities and operations pertaining to its Water Treatment Systems - Effluent Treatment Plants ("ETP") for treatment of Low COD (Chemical Oxygen Demand) waste at Bavla, ETP for treatment of High COD waste at Bavla (termed as Zero Discharge System) and ETP for treatment of Low COD waste at Naroda, and shall also include but not limited to the following:
- a) All assets (wherever situated), whether movable or immovable including land and building, capital work in progress, tangible or intangible, real or personal, corporeal and incorporeal, including furniture, fixtures, vehicles, stocks and inventory, office equipment, appliances, accessories, unquoted investments, leasehold assets, easements and other properties, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, together with all present and future liabilities (including contingent liabilities, if any) pertaining to the ETP Undertaking;
 - b) All rights, entitlements, approvals, licenses, consents, permissions, brands, logos, engagements, arrangements, municipal permissions belonging to or proposed to be utilized for the ETP Undertaking;
 - c) All secured and unsecured debts, liabilities (including contingent liabilities), duties, undertakings and obligations pertaining to the ETP business of every kind, nature and description whatsoever and howsoever arising in connection with or relating to the ETP Undertaking;
 - d) All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders or other instruments of whatsoever nature to which Transferor Company is a party, exclusively relating to ETP Undertaking, business, activities and operations pertaining to its ETP Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Transferor Company in relation to its ETP Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, if any, and all other rights, title, interests, privileges and benefits of every kind in relation to its ETP Undertaking;
 - e) All registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Transferor Company in ETP Undertaking, business, activities and operations pertaining to the ETP Undertaking;
 - f) All employees of the Transferor Company employed in the ETP Undertaking as identified by the Board of Directors of the Transferor Company, as on the Effective Date;
 - g) All records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, labels lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the ETP Undertaking.
- 6.3 The term **"Undertaking"** means and includes all the undertakings and entire business of the Amalgamating Company as a going concern, including, without limitation:
- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) whether or not recorded in the books of accounts of the Amalgamating Company, including, without limitation, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including overseas subsidiaries, furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Amalgamating Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company, whether in India or abroad;
 - (b) all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company;
 - (c) all contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind

and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Amalgamating Company are parties, including lease agreements, leave and license agreements, tenancy rights, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements/contracts with the supplier of goods and/or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Amalgamating Company is party;

- (d) all intellectual property rights (including intangible assets and business or commercial rights), registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Amalgamating Company, whether or not recorded in the books of accounts of the Amalgamating Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Amalgamating Company, whether used or held for use by it;
- (e) all liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Amalgamating Company; and
- (f) any and all permanent employees, who are on the payrolls of the Amalgamating Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Amalgamating Company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Amalgamating Company.

6.4 Transfer and vesting of ETP Undertaking

- 6.4.1 Upon the Scheme becoming effective, with effect from the Appointed Date herein, the ETP Undertaking pursuant to the provisions of Section 391 and 394 of the 1956 Act and applicable provisions of 2013 Act shall stand transferred to and vested in the Transferee Company, as a going concern, without any further act or deed, as per the provisions contained herein, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to existing charges or *lis pendens*, if any, thereon.
- 6.4.2 The total consideration for transfer and vesting of the ETP Undertaking of the Transferor Company in the Transferee Company shall be Rs. 15 Crores (Rupees Fifteen Crores) as determined by the boards of directors of the Transferor Company and the Transferee Company based on the recommendation of the audit committee of the Transferor Company and valuation report of Sharp & Tannan, an independent chartered accountant and fairness report of Centrum Capital Limited, an independent merchant banker approved by the board of directors of the Transferor Company and Transferee Company.
- 6.4.3 The Transferee Company shall, upon this Scheme becoming effective, with effect from the Appointed Date record assets and Liabilities of the ETP Undertaking as vested in it pursuant to this Chapter 2 in accordance with an allocation report to be prepared in accordance with Accounting Standard - 10 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act.

6.5 Amalgamation of DCL into and with DPCL

- 6.5.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date and after giving effect to transfer of ETP Undertaking from DPCL to CAIL, the Undertaking of Amalgamating Company 1 shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394, Section 100 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Amalgamated Company 1, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of Amalgamated Company 1.
- 6.5.2 With effect from the Appointed Date and up to and including the Effective Date, the Amalgamating Company 1 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Amalgamated Company 1.
- 6.5.3 Upon the Scheme being effective and in consideration of the transfer of and vesting of the Undertaking of the Amalgamating Company 1 in the Amalgamated Company 1 pursuant to this Scheme, no shares shall be required to be issued and allotted in respect of the equity shares held by Amalgamated Company 1 in Amalgamating Company 1. The equity shares held by Amalgamated Company 1 in Amalgamating Company 1 shall be deemed to be cancelled and shall stand extinguished without any consideration, further act, deed or thing by Amalgamating Company 1 and Amalgamated Company 1.
- 6.5.4 The Amalgamated Company 1 shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company 1) and liabilities of the Amalgamating Company 1 vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard – 14.
- 6.5.5 Upon the Scheme becoming finally effective all legal proceedings by or against DCL shall be continued and be enforced by or against DPCL, as the case may be.
- 6.5.6 Upon the Scheme becoming effective, DPCL shall take over employees of DCL on the same terms as they are employed by DCL.
- 6.5.7 Pursuant to the Scheme being effective, DCL shall be dissolved without winding up pursuant to the provisions of Section 394 of the Companies Act, 1956.

6.6 Amalgamation of DPCL into and with CAIL

- 6.6.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date and after giving effect to transfer of ETP Undertaking of DPCL to CAIL and amalgamation of DCL into and with DPCL, the Undertaking of Amalgamating Company 2 shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394, Section 100 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company 2, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company 2.

- 6.6.2 With effect from the Appointed Date and up to and including the Effective Date, the Amalgamating Company 2 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Amalgamated Company 2.
- 6.6.3 The Amalgamated Company 2 shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Amalgamating Company 2 whose name is recorded in the register of members of the Amalgamating Company 2 on the Record Date in the following ratio:
 "1 (One) fully paid up equity shares of Rs. 2 (Rupees Two) each of Amalgamated Company 2 for every 1 (One) fully paid equity share of Rs. 2 (Rupees Two) each held by such shareholder in Amalgamating Company 2."
- 6.6.4 The Equity Shares so issued and allotted, shall rank paripassu in all respects with the existing Equity Shares of the Amalgamated Company 2.
- 6.6.5 The equity shares issued to the shareholders of DPCL will be listed and admitted for trading and the Amalgamated Company 2 shall comply with the requirements of the SEBI Circular and take all steps to get the equity shares issued pursuant to the Scheme listed on NSE and BSE on which the equity shares of the Amalgamating Company 2 are listed, in accordance with relevant regulations.
- 6.6.6 The equity shares in the Amalgamated Company 2 allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 6.6.7 There shall be no change in the shareholding pattern or control in the Amalgamated Company 2 between the record date and the listing which may affect the status of the approval by the Stock Exchanges.
- 6.6.8 The Amalgamated Company 2 shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company 2) and liabilities of the Amalgamating Company 2 vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard - 14. Equity shares of the Amalgamated Company 2 held by Amalgamating Company 2 shall not be recorded by the Amalgamated Company 2 as assets and shall be cancelled pursuant to Clause 14.
- 6.6.9 To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Amalgamating Company 2 and the Amalgamated Company 2 (including, without limitation, an amount of Rs. 15 Crores (Rupees Fifteen Crores) being the amount outstanding to be discharged by the Amalgamated Company 2 to the Amalgamating Company 2 as consideration upon transfer of ETP Undertaking), the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Amalgamated Company 2 as well as Amalgamating Company 2 for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 6.6.10 Upon this Scheme becoming effective, the name of Amalgamated Company 2 shall be deemed to have been changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited" in accordance with Section 13 of the 2013 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable.
- 6.6.11 Upon the Scheme becoming finally effective all legal proceedings by or against DPCL shall be continued and be enforced by or against CAIL, as the case may be.
- 6.6.12 Upon the Scheme becoming effective, CAIL shall take over employees of DPCL on the same terms as they are employed by DPCL.
- 6.6.13 The Scheme is conditional on and subject to the sanction of the Authorities concerned, approval by the requisite majority of the shareholders and creditors and sanctions of the High Court of Judicature at Gujarat, as may be required.
- 6.6.14 Pursuant to the Scheme being effective, DPCL shall be dissolved without winding up pursuant to the provisions of Section 394 of the Companies Act, 1956.
- 6.6.15 Pursuant to the Scheme being effective, the entire share capital of CAIL held by DPCL and its nominees shall stand cancelled as an integral part of the Scheme.
- 6.7 Upon the Scheme coming into effect, the Authorised Share Capital of the Amalgamating Companies shall stand combined with the Authorised Share Capital of the Amalgamated Company 2 and the Memorandum of Association of the Amalgamated Company 2 shall automatically stand amended accordingly as an integral part of the Scheme.
- 6.8 Pursuant to the Scheme being effective, all the main objects specified in the Memorandum of Association of DPCL shall be added/clubbed/included as main objects in the Memorandum of Association of CAIL.
- 6.9 Upon the coming into effect of this Scheme, the Directors of DPCL shall be appointed as Directors of CAIL subject to the compliance of applicable provisions of the 1956 Act or 2013 Act as may be applicable. The approval of the members of CAIL to the Scheme shall be deemed to be their consent/approval for their appointment as Directors under the applicable provisions of the 2013 Act and 1956 Act.
- 6.10 On approval of the Scheme by the Shareholders of the Transferor Company and Transferee Company pursuant to Section 391 of the Companies Act, 1956, it shall be deemed that the said members have also accorded all relevant consents under Section 13 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956 and any other provisions of the said Acts to the extent the same may be considered applicable.
- 6.11 **The features set out above being the salient features of the Scheme of Arrangement and Amalgamation; the Unsecured Creditors are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.**
- 6.12 The proposed Scheme of Arrangement and Amalgamation was approved by the Board of Directors of the Applicant Company at the meeting held on 24th February, 2016 after considering the recommendation of the Audit Committee, Valuation Report dated 23rd February, 2016 issued by M/s Sharp & Tannan, Chartered Accountants and Fairness Opinion dated 23rd February, 2016 of an independent Category – I Merchant Banker M/s Centrum Capital Limited.
- 6.13 In accordance with the Circular No.CIR/CFD/CMD/16/2015 dated 30th November 2015 issued by the Securities and Exchange Board of India (SEBI), the Audit Committee of the Board of Directors of the Applicant Company had on 24th February, 2016, recommended the proposed Scheme of Amalgamation for approval of the Board.
- 6.14 BSE Limited and National Stock Exchange of India Limited have given No-objection / observation letter dated 12th May, 2016 to the Scheme of Arrangement and Amalgamation.

7. CAPITAL STRUCTURE PRE AND POST AMALGAMATION

7.1 Pre and Post Amalgamation capital structure of DPCL is as follows:

Share Capital	Pre	Post
Authorized Share Capital		
No. of Equity Shares of Rs. 2 each	16,50,00,000	-
Amount (in Rs.)	33,00,00,000	-
Issued, subscribed and paid-up		
No. of Equity Shares of Rs. 2 each	16,13,94,272	-
Amount (in Rs.)	32,27,88,544	-

7.2 Pre and Post Amalgamation capital structure of DCL is as follows:

Share Capital	Pre	Post
Authorized Share Capital		
No. of Equity Shares of Rs. 2 each	2,50,000	-
Amount (in Rs.)	5,00,000	-
Issued, subscribed and paid-up		
No. of Equity Shares of Rs. 2 each	2,50,000	-
Amount (in Rs.)	5,00,000	-

7.3 Pre and Post Amalgamation capital structure of CAIL is as follows:

Share Capital	Pre	Post
Authorized Share Capital		
No. of Equity Shares of Rs. 2 each	50,00,000	17,02,50,000
Amount (in Rs.)	1,00,00,000	34,05,00,000
Issued, subscribed and paid-up		
No. of Equity Shares of Rs. 2 each	2,50,000	16,13,94,272
Amount (in Rs.)	5,00,000	32,27,88,544

7.4 The shareholding pattern pre and post amalgamation of the DPCL, DCL and CAIL as on June 24, 2016 are as under:

Category	DPCL		DCL		CAIL			
	Pre-Amalgamation		Pre-Amalgamation		Pre-Amalgamation		Post-Amalgamation	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoter & Promoter Group	9,90,96,898	61.40					9,90,96,898	61.40
– Individual/ HUF	9,78,96,898	60.66	2,49,500	99.8	2,49,500	99.8	9,78,96,898	60.66
– Bodies Corporate	12,00,000	0.74	500	0.20	500	0.20	12,00,000	0.74
Public	6,22,97,374	38.60					6,22,97,374	38.60
– Mutual Funds	59,81,128	3.71	-	-	-	-	59,81,128	3.71
– Foreign Portfolio Investor	2,16,81,875	13.43	-	-	-	-	2,16,81,875	13.43
– Financial Institutions / Banks	14,49,369	0.90	-	-	-	-	14,49,369	0.90
– Foreign Institutional Investor	94,22,611	5.84	-	-	-	-	94,22,611	5.84
– Bodies Corporate	29,99,342	1.86	-	-	-	-	29,99,342	1.86
– Clearing Member	8,03,051	0.50	-	-	-	-	8,03,051	0.50
– Others	1,99,59,998	12.37	-	-	-	-	1,99,59,998	12.37
Total	16,13,94,272	100	2,50,000	100	2,50,000	100	16,13,94,272	100

8. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

None of the Directors or Key Managerial Personnel (KMPs) of DPCL, CAIL and DCL, or their relatives, have any material interest in the Scheme except to the extent of shares, held by them in DPCL or CAIL or DCL or to the extent the said Directors are common Directors in DPCL and/or CAIL and/or DCL or to the extent the Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in DPCL. The effect of the Scheme on interests of the Directors and KMPs and their relatives, is not any different from the effect of the Scheme on like interests of other persons.

The present details of the directors of DPCL and their shareholding in DPCL, DCL and CAIL are as under:

Name of the Director	Equity shares held in		
	DPCL	DCL	CAIL
Mr. Janmejy R. Vyas	50559710	60000*	247000*
Mrs. Deohooti J. Vyas	21929000	60000*	500*
Mr. Arpit J. Vyas	25127950	68500*	500*
Mr. Mark C. Griffiths	Nil	Nil	Nil
Mr. Sanjay S. Majmudar	49300	Nil	500*
Mr. Ashok C. Gandhi	300	Nil	Nil
Mr. Subir Kumar Das	Nil	Nil	Nil
Mr. Rajendra S. Shah	Nil	Nil	Nil

* Shares held as a nominee of DPCL

The present details of the directors of DCL and their shareholding in DPCL, DCL and CAIL are as under:

Name of the Director	Equity shares held in		
	DPCL	DCL	CAIL
Mrs. Deohooti J. Vyas	21929000	60000*	500*
Mr. Arpit J. Vyas	25127950	68500*	500*
Ms. Aditi J. Vyas	207238	60000*	500*

* Shares held as a nominee of DPCL

The present details of the directors of CAIL and their shareholding in DPCL, DCL and CAIL are as under:

Name of the Director	Equity shares held in		
	DPCL	DCL	CAIL
Mr. Janmejy R. Vyas	50559710	60000*	247000*
Mr. Sanjay S. Majmudar	49300	Nil	500*
Mr. Arpit J. Vyas	25127950	68500*	500*

* Shares held as a nominee of DPCL

9. GENERAL

- (a) The Scheme is not prejudicial to the interests of the members of the Applicant Company. Pursuant to this Scheme becoming effective, DPCL & DCL will stand dissolved without winding up.
- (b) There are no winding up proceedings pending against DPCL as of date.
- (c) No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 in respect of DPCL.
- (d) Inspection of the following documents may be carried on by the Unsecured Creditors of DPCL at the Registered Office of the Company on any working day (except Saturdays) prior to the date of the meeting between 11:00 am and 1:00 pm:
 - i) Copy of the Order dated June 27, 2016 of the Hon'ble High Court of Gujarat at Ahmedabad, passed in Company Application No. 279 of 2016 directing the convening of the meeting of the Unsecured Creditors of DPCL;
 - ii) Copy of the Company Application No. 279 of 2016;
 - iii) Memorandum and Articles of Association of DPCL, DCL and CAIL;
 - iv) Auditor's report on Annual Standalone Financial Results of the Applicant Company for financial year ended March 31, 2016 pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - v) Audited Financial Statements of DPCL for financial years ended March 31, 2015 and March 31, 2014;
 - vi) Audited Financial Statements of DCL and CAIL for financial years ended March 31, 2016, March 31, 2015 and March 31, 2014.
 - vii) Copies of the resolutions passed by the respective Board of Directors of the DPCL, CAIL and DCL on February 24, 2016.
 - viii) Copy of Valuation Report dated February 23, 2016 issued by Sharp & Tannan, Chartered Accountants recommending the share exchange ratio.
 - ix) Copy of Fairness Opinion dated February 23, 2016 issued by Category I Merchant Banker M/s Centrum Capital Limited on share exchange ratio
 - x) Copies of Complaints Report dated April 8, 2016 submitted to both BSE and NSE.
 - xi) Copies of Observation Letter issued by BSE and NSE dated May 12, 2016.
 - xii) Register of Director's Shareholdings of DPCL;
 - xiii) Other documents displayed by the Stock Exchange and DPCL's website, in terms of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.
 - xiv) Copies of the Scheme of Arrangement and Amalgamation and of the statement under section 393 of the Companies Act, 1956 are available free of charge at the Registered Office of the Company or at the office of its Advocates M/s. J. Sagar Associates, A-502 & 503, Shapath Hexa, Opposite Gujarat High Court, Near Sola Bridge, Janta Nagar, Kakoldiya Road, S G Highway, Ahmedabad - 380060

Dated this 7th day of July, 2016

Mr. Janmejy R. Vyas
Chairman appointed for the meeting

Registered Office:

Bhadr-Raj Chambers, Swastik Cross Road,
Navrangpura, Ahmedabad-380 009, Gujarat.

SCHEME OF ARRANGEMENT AND AMALGAMATION

(UNDER SECTIONS 391 TO 394 READ WITH SECTION 100 AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 1956 AND COMPANIES ACT, 2013)

AMONGST

DISHMAN PHARMACEUTICALS AND CHEMICALS LIMITED

AND

CARBOGEN AMCIS (INDIA) LIMITED

AND

DISHMAN CARE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

CHAPTER 1

Chapter 1 of this Scheme of Arrangement and Amalgamation ("**Scheme**") sets forth the overview and the objects of the Scheme.

1.1 DESCRIPTION OF COMPANIES

- 1.2 Dishman Pharmaceuticals and Chemicals Limited (CIN No. L24230GJ1983PLC006329) is a public company limited by shares incorporated in 1983 under the provisions of the Companies Act, 1956, having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat and is engaged in Contract Research and Manufacturing Services and manufacture and supply of marketable molecules such as specialty chemicals, vitamins & chemicals and disinfectants. The equity shares of Dishman Pharmaceuticals and Chemicals Limited are listed on National Stock Exchange of India Ltd. ("**NSE**") and BSE Ltd. ("**BSE**") (collectively, the "**Stock Exchanges**").
- 1.3 Carbogen Amcis (India) Limited (CIN No. U74900GJ2007PLC051338) is a public company limited by shares incorporated in 2007 under the provisions of the Companies Act 1956, having its registered office at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat and is engaged in research and development, including regulatory filings, of certain pharmaceutical molecules for some of the overseas subsidiaries of Dishman Pharmaceuticals and Chemicals Limited. Its entire equity share capital is held by Dishman Pharmaceuticals and Chemicals Limited.
- 1.4 Dishman Care Limited (CIN No. U24233GJ2010PLC059935) is a public company limited by shares incorporated in 2010 under the provisions of the Companies Act 1956, having its registered office at 516, 5th Floor, Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat. It is engaged in market research, business development and marketing of disinfectant products to be manufactured by Dishman Pharmaceuticals and Chemicals Limited. Its entire equity share capital is held by Dishman Pharmaceuticals and Chemicals Limited.
- 1.5 Dishman Pharmaceuticals and Chemicals Limited, Carbogen Amcis (India) Limited and Dishman Care Limited are collectively referred to as the "**Companies**".

2.0 RATIONALE FOR THE COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

- 2.1 This Scheme of Arrangement and Amalgamation is expected to enable better realisation of potential of the businesses of the companies and yield beneficial results and enhanced value creation for the Companies, their respective shareholders, creditors and employees. The rationale for the proposed Scheme is set out below:
- (i) Consolidation of the business and simplification of the group structure. Further, the amalgamation will provide a high level of synergistic integration of operations and better operational management.
 - (ii) Through the "One Company, Two Brands" strategy, the group has been delivering complex solutions suiting the diverse needs of the global customers. The proposed Scheme re-emphasises the strategy of "One Company, Two Brands" with both "Dishman" and "Carbogen Amcis" brands being reflected in the trade name of one company.
 - (iii) Synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements (as all assets, tangible and intangible, including those not recorded in the books of the amalgamating company, and liabilities of the amalgamating company shall be taken over by the amalgamated company and recorded at their respective fair values), and lead to improved alignment of debt and enhancement in earnings and cash flow.
 - (iv) The amalgamated company would be able to better leverage on its large network base and have enhanced businesses potential and increased capability to offer a wider portfolio of products and services with a diversified resource base and deeper client relationships.
 - (v) It would result in financial resources being efficiently merged and pooled leading to more effective and centralised management of funds, greater economies of scale, stronger base for future growth and reduction of administrative overheads (i.e. cost rationalization), which are presently being divided and dissipated between multiple separate entities. The amalgamation shall lead to greater efficiency in management of the businesses, simplicity and reduction in regulatory compliances and cost.
 - (vi) It will improve and consolidate internal controls and functional integration at various levels of the organisation such as information technology, human resources, finance, legal and general management leading to an efficient organisation capable of responding swiftly to volatile and rapidly changing market scenarios.
 - (vii) It will facilitate debt consolidation which will improve the debt servicing abilities through improved cash flows.
 - (viii) It would enhance the value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of Dishman Pharmaceuticals and Chemicals Limited built up over approximately three decades of experience, enhanced scale of operations and sharper focus.
- 2.2 Consequently, the Board of Directors (as hereinafter defined) of the Companies have considered and approved this Scheme of Arrangement and Amalgamation and have accordingly proposed the Slump Sale (as hereinafter defined) and Amalgamation (as hereinafter defined) as integral parts of the Scheme.
- ### **3.0 CHAPTERS IN THE SCHEME**
- The Scheme is divided into five (5) chapters, the details of which are as follows:
- 3.1 **Chapter 1:** Chapter 1 of this Scheme sets forth the overview and objects of the Scheme. Further this Chapter 1 also contains the provisions with respect to definitions, interpretation and share capital of the parties to the Scheme which are common to and shall be applicable on all Chapters of the Scheme;
- 3.2 **Chapter 2:** Chapter 2 provides for specific provisions governing transfer and vesting of ETP Undertaking (as defined hereinafter) of Dishman Pharmaceuticals and Chemicals Limited into Carbogen Amcis (India) Limited by way of Slump Sale;
- 3.3 **Chapter 3:** Chapter 3 provides for specific provisions governing the amalgamation of Dishman Care Limited into and with Dishman Pharmaceuticals and Chemicals Limited;
- 3.4 **Chapter 4:** Chapter 4 provides for specific provisions governing the amalgamation of Dishman Pharmaceuticals and Chemicals Limited into and with Carbogen Amcis (India) Limited;

3.5 **Chapter 5:** Chapter 5 provides for the provisions governing consolidation of the authorised share capital, changes to the main object clause of Carbogen Amcis (India) Limited, change in name of Carbogen Amcis (India) Limited, and certain general terms and conditions applicable to one or more Chapters of this Scheme.

4.0 GENERAL DEFINITIONS AND INTERPRETATION

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

“1956 Act” means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto;

“2013 Act” means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

“Amalgamated Company 1” means Dishman Pharmaceuticals and Chemicals Limited remaining after the Slump Sale of ETP Undertaking (as defined hereinafter);

“Amalgamated Company 2” or **“Transferee Company”** means Carbogen Amcis (India) Limited;

“Amalgamating Companies” means collectively Amalgamating Company 1 and Amalgamating Company 2;

“Amalgamating Company 1” means Dishman Care Limited;

“Amalgamating Company 2” means Dishman Pharmaceuticals and Chemicals Limited remaining after the Slump Sale of ETP Undertaking and the amalgamation of Dishman Care Limited into and with it;

“Amalgamating Company” shall mean any one of Amalgamating Company 1 or Amalgamating Company 2, as the context requires;

“Amalgamation” means amalgamation of Amalgamating Company 1 with Amalgamated Company 1 and Amalgamating Company 2 with Amalgamated Company 2 in accordance with Section 2(1B) of the Income Tax Act, 1961, in terms of Chapter 3 and 4 of the Scheme respectively;

“Appointed Date” means January 1, 2015, or such other date as may be determined by the Board of Directors of the concerned Companies or directed by the High Court and is the date with effect from which the Scheme shall upon sanction of the same by the High Court, be deemed to be operative;

“Audit Committee” means the audit committee of Dishman Pharmaceuticals and Chemicals Ltd., as constituted from time to time;

“Board of Directors” or **“Board”** in relation to each of the Companies, as the case may be, means the board of directors of such company;

“BSE” means BSE Limited;

“Effective Date” means such date as the Companies mutually agree being a date on the last of the dates or post the last of the dates on which all the conditions and matters referred to in clause 5.0 of Chapter 5 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme;

“Encumbrance” means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term **“Encumbered”** shall be construed accordingly;

“ETP Undertaking” shall mean the Transferor Company's undertaking, business, activities and operations pertaining to its Water Treatment Systems - Effluent Treatment Plants (**“ETP”**) for treatment of Low COD (Chemical Oxygen Demand) waste at Bavla, ETP for treatment of High COD waste at Bavla (termed as Zero Discharge System) and ETP for treatment of Low COD waste at Naroda, and shall also include but not limited to the following:

- a) All assets (wherever situated), whether movable or immovable including land and building, capital work in progress, tangible or intangible, real or personal, corporeal and incorporeal, including furniture, fixtures, vehicles, stocks and inventory, office equipment, appliances, accessories, unquoted investments, leasehold assets, easements and other properties, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, together with all present and future liabilities (including contingent liabilities, if any) pertaining to the ETP Undertaking;
- b) All rights, entitlements, approvals, licenses, consents, permissions, brands, logos, engagements, arrangements, municipal permissions belonging to or proposed to be utilized for the ETP Undertaking;
- c) All secured and unsecured debts, liabilities (including contingent liabilities), duties, undertakings and obligations pertaining to the ETP business of every kind, nature and description whatsoever and howsoever arising in connection with or relating to the ETP Undertaking;
- d) All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders or other instruments of whatsoever nature to which Transferor Company is a party, exclusively relating to ETP Undertaking, business, activities and operations pertaining to its ETP Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Transferor Company in relation to its ETP Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, if any, and all other rights, title, interests, privileges and benefits of every kind in relation to its ETP Undertaking;
- e) All registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Transferor Company in ETP Undertaking, business, activities and operations pertaining to the ETP Undertaking;

- f) All employees of the Transferor Company employed in the ETP Undertaking as identified by the Board of Directors of the Transferor Company, as on the Effective Date;
- g) All records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, labels lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the ETP Undertaking.

"Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body, statutory body or stock exchange, including but not limited to the Reserve Bank of India ("RBI") and the Securities and Exchange Board of India ("SEBI"), or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law;

"High Court" means the High Court of Judicature at Gujarat having jurisdiction in relation to the Companies and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the 1956 Act or the 2013 Act, as applicable;

"Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

"Liabilities" means all debts and liabilities, both present and future comprised in the ETP Undertaking and Undertaking, whether or not provided in the books of accounts or disclosed in the balance sheet of the Transferor Company and Amalgamating Companies, including all secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), duties and obligations (including under any licenses or permits or schemes of every kind) and undertakings of the Transferor Company and Amalgamating Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any charge, Encumbrance;

"NSE" means the National Stock Exchange of India Limited;

"Record Date" means the date after the Effective Date to be fixed by the Board of Directors of the Amalgamated Company 2 and the Amalgamating Company 2 for the purpose of determining the equity shareholders of the Amalgamating Company 2, as applicable, to whom equity shares of the Amalgamated Company 2 will be allotted pursuant to this Scheme;

"Registrar of Companies" means the Registrar of Companies, Ahmedabad;

"Scheme", "the Scheme", "this Scheme" means this Scheme of Arrangement and Amalgamation, pursuant to Sections 391 to 394 read with Section 100 of the 1956 Act, or any other applicable provisions of the 1956 Act or the 2013 Act, if any, in its present form (along with any annexures, schedules, etc, attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals including approvals of the shareholders and/or creditors, as applicable, and sanction from the High Court under the 1956 Act or 2013 Act, as applicable, and under all applicable laws;

"SEBI Circular" means the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, both issued by the Securities and Exchange Board of India and any related and amended circulars that SEBI may issue in respect of schemes of arrangement ;

"Share Exchange Ratio" has the meaning ascribed to it in sub-clause 12.1 of Chapter 4 of the Scheme hereof;

"Slump Sale" means the transfer of ETP Undertaking of the Transferor Company to the Transferee Company as a going concern and "as-is-where-is" basis for a lump sum consideration, without values being assigned to the individual assets and liabilities, in terms of Chapter 2 of the Scheme.

"Stock Exchanges" shall mean BSE and NSE;

"Transferor Company" means Dishman Pharmaceuticals and Chemicals Ltd.;

"Undertaking" means and includes all the undertakings and entire business of the Amalgamating Company as a going concern, including, without limitation:

- (a) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) whether or not recorded in the books of accounts of the Amalgamating Company, including, without limitation, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including overseas subsidiaries, furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Amalgamating Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company, whether in India or abroad;
- (b) all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company;

- (c) all contracts, agreements, engagements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, privileges and benefits of all contracts, agreements and all other rights, including license rights, lease rights, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature to which the Amalgamating Company are parties, including lease agreements, leave and license agreements, tenancy rights, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements/contracts with the supplier of goods and/or service providers and all rights, title, interests, claims and benefits there under of whatsoever nature to which the Amalgamating Company is party;
- (d) all intellectual property rights (including intangible assets and business or commercial rights), registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Amalgamating Company, whether or not recorded in the books of accounts of the Amalgamating Company, and other intellectual rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Amalgamating Company, whether used or held for use by it;
- (e) all liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Amalgamating Company; and
- (f) any and all permanent employees, who are on the payrolls of the Amalgamating Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Amalgamating Company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Amalgamating Company.
- 4.2 All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 1956 Act or the 2013 Act, as applicable, the Income Tax Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 4.3 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- 4.4 The headings herein shall not affect the construction of this Scheme.
- 4.5 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 4.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 4.7 References to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- 4.8 References to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- 4.9 Any reference to any statute or statutory provision shall include:
- (a) All subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
- (b) Such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

5.0 SHARE CAPITAL

5.1 Dishman Pharmaceuticals and Chemicals Limited

The share capital structure of Dishman Pharmaceuticals and Chemicals Limited as on 31st December, 2015 is as under:

A. Authorised Share Capital	Amount in Rupees
10,00,00,000 Equity shares of Rs. 2 each	20,00,00,000
Total	20,00,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
8,06,97,136 Equity shares of Rs. 2 each	16,13,94,272
Total	16,13,94,272

After 31st December, 2015 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Dishman Pharmaceuticals and Chemicals Limited¹.

¹ The Board of Directors of Dishman Pharmaceuticals and Chemicals Limited, in their meeting held on February 24, 2016, approved issue of bonus shares to its equity shareholders in the ratio of 1:1. Pursuant to the approval of the shareholders, the authorised share capital and the issued & paid up share capital shall get appropriately amended to give effect to the issue of bonus shares.

5.2 Carbogen Amcis (India) Limited

The share capital structure of **Carbogen Amcis (India) Limited** as on 31st December, 2015 is as under:

A. Authorised Share Capital	Amount in Rupees
50,00,000 Equity shares of Rs.2 each	1,00,00,000
Total	1,00,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
2,50,000 Equity shares of Rs. 2 each	5,00,000
Total	5,00,000

After 31st December, 2015 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Carbogen Amcis (India) Limited.

5.3 Dishman Care Limited

The share capital structure of **Dishman Care Limited** as on 31st December, 2015 is as under:

A. Authorised Share Capital	Amount in Rupees
2,50,000 Equity Shares of Rs. 2 each	5,00,000
Total	5,00,000
B. Issued, Subscribed and Fully Paid Up Share Capital	Amount in Rupees
2,50,000 Equity shares of Rs. 2 each	5,00,000
Total	5,00,000

After 31st December, 2015 and till approval of Scheme by Board of Directors, there has been no change in the issued, subscribed and paid up share capital of Dishman Care Limited.

**CHAPTER 2 – TRANSFER OF ETP UNDERTAKING FROM TRANSFEROR COMPANY TO
TRANSFeree COMPANY BY WAY OF SLUMP SALE**

1.0 Transfer and Vesting of ETP Undertaking of Transferor Company to Transferee Company

- 1.1 Upon the Scheme becoming effective, with effect from the Appointed Date herein, the ETP Undertaking pursuant to the provisions of Section 391 and 394 of the 1956 Act and applicable provisions of 2013 Act shall stand transferred to and vested in the Transferee Company, as a going concern, without any further act or deed, as per the provisions contained herein, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to existing charges or *lis pendens*, if any, thereon.
- 1.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, and upon the Scheme becoming effective, with effect from the Appointed Date the entire ETP Undertaking, shall be transferred to the Transferee Company on a going concern and “as-is-where-is” basis, including the assets and Liabilities, for a lump sum consideration, without assigning value to individual assets and Liabilities, and in the following manner:
- In respect of all the movable assets of the ETP Undertaking of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash in hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.
 - the rights to use over the land and buildings appurtenant thereto, as it pertains to the ETP Undertaking, shall form part of the ETP Undertaking and such rights shall be deemed to be specifically granted by the Transferor Company to and vested in the ETP Undertaking (and consequently to the Transferee Company in which the ETP Undertaking shall be transferred pursuant to the provisions of this Chapter 2 of the Scheme) by virtue of sanction of the Scheme by the High Court and the effectiveness of the Scheme.
 - All Liabilities pertaining to the ETP Undertaking including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company shall stand vested in the Transferee Company and shall upon the Scheme becoming effective be deemed to be the Liabilities of the Transferee Company, and Transferee Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that 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.
 - all permits, no objection certificates, contracts, permissions, approvals, consents, rights, entitlements, licenses, including those relating to tenancies, copyrights, intellectual property rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the ETP Undertaking of 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 on the Effective Date, shall stand transferred to and vested in the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting and transfer of ETP Undertaking pursuant to this Scheme, and shall be and remain in full force, operative and effectual for the benefit of the Transferee Company, and may be enforced by the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been the original party or beneficiary or obligee thereto.

- e) Any suits, appeals or other proceedings of whatsoever nature and pending in any court, tribunal or any other forum, relating to the ETP Undertaking, whether by or against the Transferor Company, shall not abate or be discontinued or in any way prejudicially affected by reason of the transfer of the ETP Undertaking into Transferee Company or of any order of or direction passed or issued in such proceedings or anything contained in this Scheme, but by virtue of the vesting and sanction order, such legal proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, as if this Scheme had not been implemented.
 - f) All the employees, pertaining to the ETP Undertaking, shall become employees of and be engaged by the Transferee Company pursuant to the vesting orders and by operation of law, with effect from this Scheme coming into effect, on such terms and conditions as are no less favorable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of transfer of ETP Undertaking, without any further act, deed or instrument on the part of the Transferor Company or the Transferee Company. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees, Transferee Company shall stand substituted for Transferor Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees and the services of all such employees of the Transferor Company for such purpose shall be treated as having been continuous.
 - g) All intellectual property including registrations, goodwill, licenses, trademarks, logos, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, pertaining to the ETP Undertaking, if any, shall stand vested in the Transferee Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon the vesting orders of the High Court sanctioning the Scheme and this Scheme becoming effective.
 - h) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, etc.) payable by or refundable to the ETP Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, rebates, benefits, credits, tax holidays u/s 80-IA of Income Tax Act, remissions, reductions, etc, as would have been available to ETP Undertaking, shall pursuant to this Scheme becoming effective, be available to the Transferee Company.
 - i) All benefits of any and all corporate approvals as may have already been taken by the Transferor Company with respect to the ETP Undertaking, whether being in the nature of compliances or otherwise, shall stand vested in the Transferee Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Transferee Company.
 - j) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company in relation to the ETP Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 394(2) and other applicable provisions of the 1956 Act and 2013 Act, without any further act, instrument or deed be and shall stand vested in or be deemed to have been vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.
- 1.3 Upon this Scheme becoming effective, the secured creditors of the Transferor Company that relate to the ETP Undertaking, if any, and/or other security holders over the properties of the ETP Undertaking shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of ETP Undertaking, as existing immediately prior to transfer of the ETP Undertaking into the Transferee Company. It is hereby clarified that pursuant to the transfer of the ETP Undertaking into the Transferee Company, the secured creditors of the Transferor Company related to the ETP Undertaking and/or other security holders over the properties of the ETP Undertaking shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company. Such assets of the Transferor Company related to the ETP Undertaking and that of the Transferee Company, as the case may be, which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.
- 1.4 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after this Scheme becoming effective, in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.
- 1.5 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary for vesting of the approvals, sanctions, consents, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in relation to the ETP Undertaking, in the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the High Court, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file, if any, appropriate applications/documents with relevant authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

2.0 Conduct of business till this Scheme comes into effect

With effect from the Appointed Date and up to and including the date of this Scheme coming into effect all profits or income arising or accruing in favour of the Transferor Company in relation to the ETP Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Transferor Company in relation to the ETP Undertaking shall, for all intent and purposes, be treated as and be deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company.

3.0 When Scheme becomes effective

- 3.1 With effect from the date of this Scheme coming into effect, the Transferee Company shall carry on and shall be entitled to carry on the ETP Undertaking.
- 3.2 For the purpose of giving effect to the order passed under Sections 391 to 394 and other applicable provisions of the 1956 Act in respect of the Scheme by the High Court, the Transferee Company shall, at any time pursuant to the orders sanctioning this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the transfer of the ETP Undertaking into the Transferee Company, in accordance with the provisions of Sections 391 to 394 of the 1956 Act. 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 this Scheme.
- 3.3 Upon this Scheme becoming effective, the Transferee Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all liabilities and obligations of the ETP Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

4.0 Consideration

- 4.1 The total consideration for transfer and vesting of the ETP Undertaking of the Transferor Company in the Transferee Company shall be Rs. 15 Crores (Rupees Fifteen Crores).
- 4.2 Upon the Scheme becoming effective, the total consideration payable in cash for transfer and vesting of the ETP Undertaking as given under clause 4.1 above shall be kept outstanding and shall be discharged in terms of Clause 13.3 of Chapter 4 of the Scheme.
- 4.3 The lump sum amount for the vesting of the ETP Undertaking with the Transferee Company, by way of Slump Sale, stated in Clause 4.1 above has been determined by the boards of directors of the Transferor Company and the Transferee Company based on the recommendation of the audit committee of the Transferor Company and valuation report of Sharp & Tannan, an independent chartered accountant and fairness report of Centrum Capital Limited, an independent merchant banker approved by the board of directors of the Transferor Company and Transferee Company.

5.0 Accounting Treatment

5.1 Accounting Treatment in the books of the Transferee Company

The Transferee Company shall, upon this Scheme becoming effective, with effect from the Appointed Date record assets and Liabilities of the ETP Undertaking as vested in it pursuant to this Chapter 2 in accordance with an allocation report to be prepared in accordance with Accounting Standard - 10 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act.

5.2 Accounting Treatment in the books of the Transferor Company

The Transferor Company shall, upon this Scheme becoming effective, with effect from the Appointed Date, account for Chapter 2 of the Scheme as under:

- (a) The book value of all assets and liabilities pertaining to the ETP Undertaking, which cease to be assets and liabilities of the Transferor Company, shall be reduced by the Transferor Company from the respective assets and liabilities.
- (b) Any difference between consideration as per Clause 4.0 above and the items mentioned in Clause 5.2(a) above shall be adjusted in its Statement of Profit and Loss.

CHAPTER 3 – AMALGAMATION OF AMALGAMATING COMPANY 1 WITH AMALGAMATED COMPANY 1

- 1.0 Upon the coming into effect of the Scheme and with effect from the Appointed Date and after giving effect to Chapter 2 of the Scheme, the Undertaking of Amalgamating Company 1 shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394, Section 100 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in Amalgamated Company 1, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company 1 by virtue of and in the manner provided in this Chapter.
- 2.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of the Scheme and with effect from the Appointed Date,
- a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts of the Amalgamating Company 1, comprised in the Undertaking of whatsoever nature and where-so-ever situate shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Amalgamated Company 1 and/or be deemed to be transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Amalgamated Company 1.
- b) such of the assets and properties of the Amalgamating Company 1 as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company 1 and/or be deemed to stand transferred to the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of

the Amalgamated Company 1. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

- c) all other movable properties of the Amalgamating Company 1, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), 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, deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Amalgamated Company 1 and/or deemed to have been transferred to and vested in the Amalgamated Company 1, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Amalgamated Company 1.
- d) The Amalgamated Company 1 may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Amalgamated Company 1 as the person entitled thereto, to the end and intent that the right of the Amalgamating Company 1 to recover or realize all such debts (including the debts payable by such debtor or obligor to the Amalgamating Company 1) stands transferred and assigned to the Amalgamated Company 1 and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Amalgamating Company 1 and all the rights, title and interest of the Amalgamating Company 1 in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company 1.
- e) all immovable properties of the Amalgamating Company 1, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Amalgamating Company 1, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company 1, without any further act or deed done or being required to be done by the Amalgamating Company 1 and/or the Amalgamated Company 1. The Amalgamated Company 1 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company 1 by the appropriate authorities pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof.
- f) all lease/license or rent agreements entered into by the Amalgamating Company 1 with various landlords, owners and lessors in connection with the use of the assets of the Amalgamating Company 1, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of the Amalgamated Company 1 on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Amalgamated Company 1 shall continue to pay rent or lease or license fee as provided for in such agreements, and the Amalgamated Company 1 and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, the Amalgamated Company 1 shall also be entitled to refund of security deposits paid under such agreements by the Amalgamating Company 1.
- g) All permissions, approvals, consents, subsidies, incentives, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company 1 enjoyed or conferred upon or held or availed of by the Amalgamating Company 1 and all rights and benefits that have accrued or which may accrue to the Amalgamating Company 1, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements, of the Amalgamated Company 1 and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Amalgamated Company 1, and the Amalgamated Company 1 shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company 1.
- h) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Amalgamating Company 1, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company 1, or to the benefit of which, the Amalgamating Company 1 may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Amalgamated Company 1 and may be enforced as fully and effectually as if, instead of the Amalgamating Company 1, the Amalgamated Company 1 had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Company 1 (and not by any of its successors), shall be fulfilled by the Amalgamated Company 1 as if it is the duly constituted attorney of that Amalgamating Company 1.

- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Amalgamating Company 1 or to the benefit of which the Amalgamating Company 1 may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Amalgamated Company 1. Such property and rights shall stand vested in the Amalgamated Company 1 and shall be deemed to have become the property of the Amalgamated Company 1 by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.
 - j) all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Amalgamating Company 1, whether or not provided in books of accounts of the Amalgamating Company 1, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Amalgamated Company 1.
 - k) all intangible assets including various business or commercial rights, etc belonging to but not recorded in books of the Amalgamating Company 1 shall be transferred to and vested with the Amalgamated Company 1 and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at the prescribed rates.
 - l) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Amalgamating Company 1, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Amalgamated Company 1, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, as would have been available to the Amalgamating Company 1, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Company 1. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Amalgamated Company 1 w.e.f. from Appointed Date in terms of section 72A of Income Tax Act.
 - m) the Amalgamated Company 1 shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Amalgamating Company 1 under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Amalgamating Company 1 and the Amalgamated Company 1 in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
 - n) All statutory rights and obligations of Amalgamating Company 1 would vest on/accrue to Amalgamated Company 1. Hence, obligation of the Amalgamating Company 1, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Amalgamated Company 1 and if any Form relating to the period prior to the said Effective Date is received in the name of the Amalgamating Company 1, it would be deemed to have been received by the Amalgamated Company 1 in fulfillment of its obligations.
 - o) benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company 1, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Amalgamated Company 1.
 - p) the resolutions, if any, of the Amalgamating Company 1, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company 1 and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company 1 and shall constitute the aggregate of the said limits in the Amalgamated Company 1.
 - q) such of the assets comprised in the Undertaking and which are acquired by the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Amalgamated Company 1.
- 3.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of this Scheme and with effect from the Appointed Date,
- (a) all the Liabilities, whether or not provided in the books of the Amalgamating Company 1, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the

transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 1, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Amalgamated Company 1 on the same terms and conditions as were applicable to the Amalgamating Company 1, and the Amalgamated Company 1 shall meet, discharge and satisfy the same.

- (b) all Liabilities comprised in the Undertaking, and which are incurred or which arise or accrue to the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 1 and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Amalgamating Company 1, and the Amalgamated Company 1 shall meet, discharge and satisfy the same.
 - (c) any Liabilities of the Amalgamating Company 1 as on the Appointed Date that are discharged by the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Amalgamated Company 1.
 - (d) all loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Amalgamating Company 1 on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Amalgamated Company 1 and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 1 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 1 and to the extent they are outstanding on the Effective Date, the Amalgamated Company 1 shall meet, discharge and satisfy the same.
 - (e) loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Amalgamating Company 1 and the Amalgamated Company 1 shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Amalgamated Company 1.
- 4.0 (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 1 which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Amalgamated Company 1. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Amalgamating Company 1 which were earlier not Encumbered or the existing assets of the Amalgamated Company 1. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (b) Any reference in any security documents or arrangements (to which the Amalgamating Company 1 is a party) to the Amalgamating Company 1 and its assets and properties, shall be construed as a reference to the Amalgamated Company 1 and the assets and properties of the Amalgamating Company 1 transferred to the Amalgamated Company 1 pursuant to this Scheme.
 - (c) Without prejudice to the foregoing provisions, the Amalgamated Company 1 may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
 - (d) The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.
- 5.0 (a) Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Amalgamating Company 1, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Amalgamating Company 1 who are on its payrolls shall become employees of the Amalgamated Company 1 with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company 1, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company 1, upon this Scheme becoming effective, the Amalgamated Company 1 shall stand substituted for the Amalgamating Company 1 for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company 1 for such purpose shall be treated as having been continuous.
- (b) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Amalgamating Company 1 for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Amalgamated Company 1 or as may be created by the Amalgamated Company 1 for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Amalgamated Company 1 to the existing funds maintained by the Amalgamating Company 1.

- (c) The Amalgamated Company 1 undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Amalgamating Company 1, the past services of such employees with the Amalgamating Company 1 shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Amalgamating Company 1 will transfer/handover to the Amalgamated Company 1, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- (d) The Amalgamated Company 1 shall continue to abide by any agreement(s)/ settlement(s) entered into by the Amalgamating Company 1 with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.
- 6.0 (a) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Company 1 shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Amalgamating Company 1, as if this Scheme had not been made.
- (b) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Amalgamating Company 1, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Amalgamated Company 1 as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Amalgamated Company 1.
- (c) The Amalgamated Company 1 undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Amalgamating Company 1 transferred to its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company 1.
- 7.0 All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, of the Amalgamating Company 1, to the extent possible and permitted under applicable laws, be handed over to the Amalgamated Company 1.
- 8.0 Without prejudice to the provisions of Clause 1.0 to 7.0 above, with effect from the Appointed Date, all inter-party transactions amongst the Amalgamating Company 1 and the Amalgamated Company 1 shall be considered as intra-party transactions for all purposes.
- 9.0 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Amalgamated Company 1 may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Amalgamating Company 1 are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company 1 pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company 1 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Amalgamated Company 1 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company 1 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 1 to be carried out or performed.
- 10.0 Conduct of Business**
- 10.1 With effect from the Appointed Date and up to and including the Effective Date:
 - (a) the Amalgamating Company 1 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Amalgamated Company 1;
 - (b) all profits and income accruing or arising to the Amalgamating Company 1, and losses and expenditure arising or incurred by the Amalgamating Company 1 for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company 1;
 - (c) any of the rights, powers, authorities or privileges exercised by the Amalgamating Company 1 shall be deemed to have been exercised by the Amalgamating Company 1 for and on behalf of, and in trust for and as an agent of the Amalgamated Company 1. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company 1 shall be deemed to have been undertaken for and on behalf of and as an agent of the Amalgamated Company 1;
 - (d) all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, taxes withheld/paid in a foreign country, sales tax, excise duty, customs duty, service tax, VAT, tax refunds) payable by or refundable to the Amalgamating Company 1, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Amalgamating Company 1) as the case may be, of the Amalgamated Company 1, and any unabsorbed tax losses and depreciation, etc., as would have been available to the Amalgamating Company 1 on or before the Effective Date, shall be available to the Amalgamated Company 1 upon the Scheme coming into effect; and
- 10.2 Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Company 1 on or before the Appointed Date or after the Appointed Date till the Effective Date. The Amalgamated Company 1 accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Company 1.

11.0 Consideration

Upon the Scheme being effective and in consideration of the transfer of and vesting of the Undertaking of the Amalgamating Company 1 in the Amalgamated Company 1 pursuant to this Scheme, no shares shall be required to be issued and allotted in respect of the equity shares held by Amalgamated Company 1 in Amalgamating Company 1. The equity shares held by Amalgamated Company 1 in Amalgamating Company 1 shall be deemed to be cancelled and shall stand extinguished without any consideration, further act, deed or thing by Amalgamating Company 1 and Amalgamated Company 1.

12.0 Accounting Treatment

- 12.1 The Amalgamated Company 1 shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company 1) and liabilities of the Amalgamating Company 1 vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard - 14 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act.
- 12.2 To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as between Amalgamating Company 1 and Amalgamated Company 1, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Amalgamated Company 1 as well as Amalgamating Company 1 for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- 12.3 Excess, if any, of the amount of investment in the Amalgamating Company 1 as appearing in the books of the Amalgamated Company 1 as on the Appointed Date over the fair value of Net Assets (including identifiable intangible assets, if any, whether or not recorded in the books of accounts) taken over and recorded will be recognized as goodwill in accordance with Accounting Standard- 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Amalgamated Company 1.
- 12.4 The Amalgamated Company 1 shall record in its books of account, all transactions of the Amalgamating Company 1 in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.
- 12.5 The Board of Directors of the Amalgamating Company 1 and Amalgamated Company 1 may adopt any other accounting treatment for the Amalgamation which is in accordance with Accounting Standards notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of 2013 Act.

13.0 Dissolution of the Amalgamating Company 1

Upon the coming into effect of the Scheme, the Amalgamating Company 1 shall, without any further act, instrument or deed, stand dissolved without winding-up.

CHAPTER 4 – AMALGAMATION OF AMALGAMATING COMPANY 2 WITH AMALGAMATED COMPANY 2

- 1.0 Upon the coming into effect of the Scheme and with effect from the Appointed Date and after giving effect to Chapter 2 and Chapter 3 of the Scheme, the Undertaking of Amalgamating Company 2 shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394, Section 100 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company 2, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company 2 by virtue of and in the manner provided in this Scheme.
- 2.0 Without prejudice to the generality of Clause 1.0 above, upon the coming into effect of the Scheme and with effect from the Appointed Date,
 - a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts, comprised in the Undertaking of whatsoever nature and where-so-ever situate shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Amalgamated Company 2 and/or be deemed to be transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Amalgamated Company 2.
 - b) such of the assets and properties of the Amalgamating Company 2 as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company 2 and/or be deemed to stand transferred to the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of the Amalgamated Company 2. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
 - c) all other movable properties of the Amalgamating Company 2, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), 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, deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any

further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Amalgamated Company 2 and/or deemed to have been transferred to and vested in the Amalgamated Company 2, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Amalgamated Company 2.

- d) The Amalgamated Company 2 may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Amalgamated Company 2 as the person entitled thereto, to the end and intent that the right of the Amalgamating Company 2 to recover or realize all such debts (including the debts payable by such debtor or obligor to the Amalgamating Company 2) stands transferred and assigned to the Amalgamated Company 2 and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Amalgamating Company 2 and all the rights, title and interest of the Amalgamating Company 2 in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Amalgamated Company 2.
- e) all immovable properties of the Amalgamating Company 2, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Amalgamating Company 2, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company 2, without any further act or deed done or being required to be done by the Amalgamating Company 2 and/or the Amalgamated Company 2. The Amalgamated Company 2 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company 2 by the appropriate authorities pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof.
- f) all lease/license or rent agreements entered into by the Amalgamating Company 2 with various landlords, owners and lessors in connection with the use of the assets of the Amalgamating Company 2, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of the Amalgamated Company 2 on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Amalgamated Company 2 shall continue to pay rent or lease or license fee as provided for in such agreements, and the Amalgamated Company 2 and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, the Amalgamated Company 2 shall also be entitled to refund of security deposits paid under such agreements by the Amalgamating Company 2.
- g) All permissions, approvals, consents, subsidies, incentives, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Amalgamating Company 2 enjoyed or conferred upon or held or availed of by the Amalgamating Company 2 and all rights and benefits that have accrued or which may accrue to the Amalgamating Company 2, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements, of the Amalgamated Company 2 and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Amalgamated Company 2, and the Amalgamated Company 2 shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company 2.
- h) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Amalgamating Company 2, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company 2, or to the benefit of which, the Amalgamating Company 2 may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Amalgamated Company 2 and may be enforced as fully and effectually as if, instead of the Amalgamating Company 2, the Amalgamated Company 2 had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Amalgamating Companies (and not by any of its successors), shall be fulfilled by the Amalgamated Company 2 as if it is the duly constituted attorney of that Amalgamating Companies.
- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Amalgamating Company 2 or to the benefit of which the Amalgamating Company 2 may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Amalgamated Company 2. Such property and rights shall stand vested in the Amalgamated Company 2 and shall be deemed to have become the property of the Amalgamated Company 2 by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.

- j) all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Amalgamating Company 2, whether or not provided in books of accounts of the Amalgamating Company 2, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Amalgamated Company 2.
 - k) all intangible assets including various business or commercial rights, etc belonging to but not recorded in books of the Amalgamating Company 2 shall be transferred to and vested with the Amalgamated Company 2 and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at the prescribed rates.
 - l) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Amalgamating Company 2, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Amalgamated Company 2, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, as would have been available to the Amalgamating Company 2, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Company 2. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Amalgamated Company 2 w.e.f. from Appointed Date in terms of section 72A of Income Tax Act.
 - m) Amalgamated Company 2 shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Amalgamating Company 2 under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Amalgamating Company 2 and the Amalgamated Company 2 in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
 - n) All statutory rights and obligations of Amalgamating Company 2 would vest on/accrue to Amalgamated Company 2. Hence, obligation of the Amalgamating Company 1, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Amalgamated Company 2 and if any Form relating to the period prior to the said Effective Date is received in the name of the Amalgamating Company 2, it would be deemed to have been received by the Amalgamated Company 2 in fulfillment of its obligations.
 - o) benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company 2, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Amalgamated Company 2.
 - p) the resolutions, if any, of the Amalgamating Company 2, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company 2 and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company 2 and shall constitute the aggregate of the said limits in the Amalgamated Company 2.
 - q) such of the assets comprised in the Undertaking and which are acquired by the Amalgamating Company 2 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Amalgamated Company 2.
- 3.0 Without prejudice to the generality of Clauses 1.0 above, upon the coming into effect of this Scheme and with effect from the Appointed Date,
- (a) all the Liabilities, whether or not provided in the books of the Amalgamating Company 2, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 2, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Amalgamated Company 2 on the same terms and conditions as were applicable to the Amalgamating Company 2, and the Amalgamated Company 2 shall meet, discharge and satisfy the same.
 - (b) all Liabilities comprised in the Undertaking, and which are incurred or which arise or accrue to the Amalgamating Company 2 on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 2 and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Amalgamating Company 2, and the Amalgamated Company 2 shall meet, discharge and satisfy the same.

- (c) any Liabilities of the Amalgamating Company 2 as on the Appointed Date that are discharged by the Amalgamating Company 2 on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Amalgamated Company 2.
 - (d) all loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Amalgamating Company 2 on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Amalgamated Company 2 and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company 2 as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company 2 and to the extent they are outstanding on the Effective Date, the Amalgamated Company 2 shall meet, discharge and satisfy the same.
 - (e) loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Amalgamating Company 2 and the Amalgamated Company 2 shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Amalgamated Company 2.
- 4.0 (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company 2 which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Amalgamated Company 2. It is being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Amalgamating Company 2 which were earlier not Encumbered or the existing assets of the Amalgamated Company 2. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (b) Any reference in any security documents or arrangements (to which the Amalgamating Company 2 is a party) to the Amalgamating Company 2 and its assets and properties, shall be construed as a reference to the Amalgamated Company 2 and the assets and properties of the Amalgamating Company 2 transferred to the Amalgamated Company 2 pursuant to this Scheme.
- (c) Without prejudice to the foregoing provisions, the Amalgamated Company 2 may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- (d) The provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.
- 5.0 (a) Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Amalgamating Company 2, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Amalgamating Company 2 who are on its payrolls shall become employees of the Amalgamated Company 2 with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company 2, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company 2, upon this Scheme becoming effective, the Amalgamated Company 2 shall stand substituted for the Amalgamating Company 2 for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company 2 for such purpose shall be treated as having been continuous.
- (b) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Amalgamating Company 2 for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Amalgamated Company 2 or as may be created by the Amalgamated Company 2 for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Amalgamated Company 2 to the existing funds maintained by the Amalgamating Company 2.
- (c) The Amalgamated Company 2 undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Amalgamating Company 2, the past services of such employees with the Amalgamating Company 2 shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Amalgamating Company 2 will transfer/handover to the Amalgamated Company 2, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- (d) The Amalgamated Company 2 shall continue to abide by any agreement(s)/ settlement(s) entered into by the Amalgamating Company 2 with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.
- (e) Upon the coming into effect of this Scheme, the Directors of the Amalgamating Company 2 shall be appointed as Directors of the Amalgamated Company 2 subject to the compliance of applicable provisions of the 1956 Act or 2013 Act as may be applicable. The approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for their appointment as Directors under the applicable provisions of the 2013 Act and 1956 Act.

- 6.0 (a) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Company 2 shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Amalgamating Company 2, as if this Scheme had not been made.
- (b) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Amalgamating Company 2, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Amalgamated Company 2 as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Amalgamated Company 2.
- (c) The Amalgamated Company 2 undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Amalgamating Company 2 transferred to its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company 2.
- 7.0 All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, of the Amalgamating Company 2, to the extent possible and permitted under applicable laws, be handed over to the Amalgamated Company 2.
- 8.0 Without prejudice to the provisions of Clauses 1.0 to 7.0 above, with effect from the Appointed Date, all inter-party transactions amongst the Amalgamating Company 2 and the Amalgamated Company 2 shall be considered as intra-party transactions for all purposes.
- 9.0 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Amalgamated Company 2 may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Amalgamating Company 2 are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of the Amalgamated Company 2 pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Amalgamated Company 2 shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Amalgamated Company 2 shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company 2 and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company 2 to be carried out or performed.
- 10.0 Conduct of Business**
- 10.1 With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Amalgamating Company 2 shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Amalgamated Company 2;
- (b) all profits and income accruing or arising to the Amalgamating Company 2, and losses and expenditure arising or incurred by the Amalgamating Company 2 for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company 2;
- (c) any of the rights, powers, authorities or privileges exercised by the Amalgamating Company 2 shall be deemed to have been exercised by the Amalgamating Company 2 for and on behalf of, and in trust for and as an agent of the Amalgamated Company 2. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company 2 shall be deemed to have been undertaken for and on behalf of and as an agent of the Amalgamated Company 2;
- (d) all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, taxes withheld/paid in a foreign country, sales tax, excise duty, customs duty, service tax, VAT, tax refunds) payable by or refundable to the Amalgamating Company 2, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Amalgamating Company 2) as the case may be, of the Amalgamated Company 2, and any unabsorbed tax losses and depreciation, etc., as would have been available to the Amalgamating Company 2 on or before the Effective Date, shall be available to the Amalgamated Company 2 upon the Scheme coming into effect; and
- 11.0 Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Company 2 on or before the Appointed Date or after the Appointed Date till the Effective Date. The Amalgamated Company 2 accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Company 2.
- 12.0 Consideration**
- 12.1 The Amalgamated Company 2 shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Amalgamating Company 2 whose name is recorded in the register of members of the Amalgamating Company 2 on the Record Date in the following ratio ("**Share Exchange Ratio**"):
- "1 (One) fully paid up equity shares of Rs. 2 (Rupees Two) each of Amalgamated Company 2 for every 1 (One) fully paid equity share of Rs. 2 (Rupees Two) each held by such shareholder in Amalgamating Company 2."**
- 12.2 The Share Exchange Ratio has been arrived at on basis of the valuation report of Sharp & Tannan, an independent chartered accountant. Centrum Capital Limited, an independent merchant banker has provided a fairness report on the fairness of the Share Exchange Ratio determined for the vesting of the Undertaking into Amalgamated Company 2. Based on the recommendations of the Audit Committee of the Amalgamating Company 2, the valuation report and fairness report as aforesaid have been duly approved by the board of directors of each of the Amalgamating Company 2 and the Amalgamated Company 2.

- 12.3 The equity shares to be issued and allotted by the Amalgamated Company 2 in terms of Clauses 12.1 above shall be subject to the provisions of the Memorandum and Articles of Association of Amalgamated Company 2 and shall rank *pari passu* in all respects with the existing equity shares of Amalgamated Company 2.
- 12.4 The new equity shares issued pursuant to Clause 12.1 above shall be issued in the dematerialized form by Amalgamated Company 2 unless otherwise notified in writing by the shareholders of the Amalgamating Company 2 to Amalgamated Company 2 on or before such date as may be determined by the board of directors of Amalgamated Company 2 or a committee thereof. In the event, such notice has not been received by Amalgamated Company 2 in respect of any of the members of Amalgamating Company 2, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Amalgamating Company 2 shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Amalgamated Company 2 shall issue and directly credit the dematerialized securities account of such members of Amalgamating Company 2. In the event that Amalgamated Company 2 has received the notice from any of the shareholders of Amalgamating Company 2 that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then Amalgamated Company 2 shall issue the new equity shares in certificate form in such number.
- 12.5 The equity shares to be issued pursuant to this Scheme by Amalgamated Company 2 in respect of the equity shares of Amalgamating Company 2 which are held in abeyance under the provisions of Section 126 of the 2013 Act and/or applicable provisions of 1956 Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Amalgamated Company 2.
- 12.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Amalgamating Company 2, the Board of Directors or any committee thereof, of Amalgamating Company 2 at the sole discretion shall be empowered in appropriate cases, prior to or even subsequent to the Effective Date as the case may be to effectuate such a transfer in Amalgamating Company 2 as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Amalgamated Company 2 shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Amalgamated Company 2 on account of difficulties faced in the transition period.
- 12.7 The equity shares issued to the shareholders under Clause 12.1 will be listed and admitted for trading and the Amalgamated Company 2 shall comply with the requirements of the SEBI Circular and take all steps to get the equity shares issued pursuant to the Scheme listed on NSE and BSE on which the equity shares of the Amalgamating Company 2 are listed, in accordance with relevant regulations. However, it is further clarified that the Amalgamated Company 2 shall have the benefit of any fees and amounts paid by the Amalgamating Company 2 to the Stock Exchanges in relation to its listing and other processes under applicable law till the Effective Date and no separate filing fees would be required to be paid by the Amalgamated Company 2 in respect of the same.
- 12.8 The equity shares of the Amalgamated Company 2 issued in terms of this Scheme shall pursuant to the SEBI Circular and subject to compliance with requisite formalities be listed and/or admitted to trading on the relevant stock exchange(s) where the existing equity shares of the Amalgamating Company 2 are listed and/or admitted to trading, i.e., BSE and NSE. The Amalgamated Company 2 shall enter into such arrangement and issue such confirmations and/or undertakings as may be necessary in accordance with the applicable law or regulation for the above purpose.
- 12.9 The equity shares in the Amalgamated Company 2 allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 12.10 Post the issue of shares pursuant to Clause 12.1, there shall be no change in the shareholding pattern or control in the Amalgamated Company 2 between the record date and the listing which may affect the status of the approval by the Stock Exchanges.
- 12.11 In the event the shares of the Amalgamated Company 2 including shares issued to the Promoters' of Amalgamating Company 2 pursuant to the Clause 12.1 above are subject to lock-in under the SEBI Circular then subject to applicable laws, the shares kept under lock-in may be pledged with Scheduled Commercial Bank or Public Financial Institution as collateral security and shares may also be transferred within the promoters' group during such lock-in period.
- 12.12 In the event that the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 12.13 The issue and allotment of equity shares by Amalgamated Company 2 to the equity shareholders of Amalgamating Company 2 as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Amalgamated Company 2 as if the procedure laid down under Section 62(1)(c) of the 2013 Act and any other applicable provisions of the 1956 Act or 2013 Act were duly complied with.
- 13.0 Accounting Treatment**
- 13.1 The Amalgamated Company 2 shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company 2) and liabilities of the Amalgamating Company 2 vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard - 14 notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of 2013 Act. Equity shares of the Amalgamated Company 2 held by Amalgamating Company 2 shall not be recorded by the Amalgamated Company 2 as assets and shall be cancelled pursuant to Clause 14.
- 13.2 The Amalgamated Company 2 shall record issuance of shares at fair value and accordingly credit to its Share Capital Account the aggregate face value of the equity shares issued on Amalgamation. The excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Reserve. The Securities Premium Reserve so credited shall be available for issuance of bonus shares in accordance with applicable laws.
- 13.3 To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Amalgamating Company 2 and the Amalgamated Company 2 (including, without limitation, an amount of Rs. 15 Crores (Rupees Fifteen Crores) being the amount outstanding to be discharged by the Amalgamated Company 2 to the Amalgamating Company 2 as consideration in accordance with Clause 4.0 of Chapter 2 of the Scheme upon transfer of ETP Undertaking pursuant to Clause 1.0 of Chapter 2 of the

Scheme), the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Amalgamated Company 2 as well as Amalgamating Company 2 for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

- 13.4 Excess, if any, of the consideration, viz., fair value of new shares issued over the fair value of Net Assets (including identifiable intangible assets, if any, whether or not recorded in the books of accounts) taken over and recorded will be recognized as goodwill in accordance with Accounting Standard- 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Amalgamated Company 2.
- 13.5 The Amalgamated Company 2 shall record in its books of account, all transactions of the Amalgamating Company 2 in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.
- 13.6 All costs and expenses incurred as per Clause 11 of Chapter 5 below as well as other costs incidental with the finalization of this Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme, shall be charged to Profit and Loss Account with exception of the following cost and expenses, which will be accounted in the books of the Amalgamated Company 2 as under:

Stamp duty payable, if any, on the basis of value of immovable properties of the Amalgamating Company 2 transferred to the Amalgamated Company 2 shall be capitalized in the books of the Amalgamated Company 2 with the said fixed assets in accordance with Accounting Standard - 10 "Accounting of Fixed Assets".
- 13.7 The intangible assets and/or goodwill (if any) transferred/arising on Amalgamation, as aforesaid, shall be amortized in the books of the Amalgamated Company 2 over the useful life as may be determined by the Board.
- 13.8 The Board of Directors may adopt any other accounting treatment for the Amalgamation which is in accordance with Accounting Standards notified under the 1956 Act read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of 2013 Act.

14.0 Reduction of Share Capital

Upon allotment of shares by the Amalgamated Company 2 in terms of Clause 12.1, the existing shareholding of the Amalgamating Company 2 in the Amalgamated Company 2, shall, without any consideration and without any further act or deed, be cancelled as an integral part of this Scheme, in accordance with provisions of Sections 100 to 103 of the 1956 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the 1956 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable, for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the 1956 Act or the other relevant provisions of the 2013 Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Amalgamated Company 2, the Amalgamated Company 2 shall not be required to add "And Reduced" as suffix to its name.

15.0 Dissolution of the Amalgamating Company 2

Upon the coming into effect of the Scheme, the Amalgamating Company 2 shall, without any further act, instrument or deed, stand dissolved without winding-up.

CHAPTER 5 – OTHER TERMS AND CONDITIONS

1.0 Combination of Authorised Share Capital

As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised share capital of the Amalgamating Companies as on the Effective Date shall, without any further act, instrument or deed or payment of additional fees payable to the Registrar of Companies or stamp duty, stand transferred to and be merged with the authorised share capital of the Amalgamated Company 2.

2.0 Reorganisation and Combination of the Share Capital

- 2.1 Clause V of the Memorandum of Association of the Amalgamated Company 2 shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13 and 62 of the 2013 Act and Section 394 of the 1956 Act and other applicable provisions of the 1956 Act and 2013 Act, as the case may be and be replaced by the following clause:

*"The Authorised Share Capital of the Company is Rs 21,05,00,000 (Rupees Twenty One Crores and Five Lacs only) divided into 10,52,50,000 (Ten Crores Fifty Two Lacs Fifty Thousand only) Equity Shares of Rs 2/- (Rupees Two only) each, with rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company. The Company shall have the power to increase or reduce its capital for the time being and to consolidate, divide or sub-divide and re-classify the shares in such capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as to dividend, voting or otherwise and to vary, modify or abrogate any such rights, privileges or conditions in accordance with the provisions of the Act and Articles of the Company and issue Shares of higher or lower denominations."*²

- 2.2 However, it is clarified that in the event that the Companies restructure or increase their authorised share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the clause of Memorandum of Association of the Amalgamated Company 2 reproduced in Clause 2.1 above shall be amended accordingly to take into account the effect of any such corporate actions.
- 2.3 It is further clarified that the approval of the members of the Amalgamated Company 2 to the Scheme shall be deemed to be their consent/ approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association, under the provisions of Section 13 and 62 of the 2013 Act and other applicable provisions of the 2013 Act and 1956 Act.

² The post amalgamation combined authorised share capital of Carbogen Amcis (India) Limited is subject to change pursuant to approval of bonus issue by the shareholders of Dishman Pharmaceuticals and Chemicals Limited.

3.0 Change of Name of Amalgamated Company 2

Upon this Scheme becoming effective, the name of Amalgamated Company 2 shall be deemed to have been changed from "Carbogen Amcis (India) Limited" to "Dishman Carbogen Amcis Limited" in accordance with Section 13 of the 2013 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable. It is hereby clarified that for the purposes of this clause, the consent of the shareholders of the Amalgamated Company 2 and Amalgamating Company 2 to this Scheme shall be deemed to be sufficient for the purposes of effecting the name change and that no further resolution under Section 13 of 2013 Act or any other applicable provisions of the 1956 Act or the 2013 Act, as applicable, would be required to be separately passed. Pursuant to this Scheme, the Amalgamated Company 2 shall file the requisite forms with the Registrar of Companies for change of its name.

4.0 Change in Object Clause of Amalgamated Company 2

4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Amalgamated Company 2 shall stand amended.

4.2 The following sub clause shall be inserted after sub-clause 1 Clause III A of the Main Object of the Memorandum of Association of the Amalgamated Company 2:

- "2. To carry on business of manufacturers, dealers, buyers, sellers, importers and exporters of pharmaceuticals, medical and chemical preparations (including synthetic and other vitamin preparations) and drugs, compounds such as yeats, vitamins, hormones, protein, aminoacids, preparations containing minerals and medicines.
3. To manufacture, buy, sell, import, export and otherwise deal in all types of medical and Surgical instruments, equipments, tools and machineries.
4. To carry on the business either itself and/or for others as manufacturers, representatives, dealers, factors, agents, stockists, suppliers, consultants, exporters, importers, traders, wholesalers, retailers, packers, general druggists, distributors, to markets, assemble distribute/redistribute, pack, repack, store all kinds, types, nature and description of pharma formulators in compressed tablet manufacturing, Simultaneously, bulk drug, liquid drugs, drug intermediates, fine chemicals, dyes intermediates, custom synthesis, pharmaceutical formulations, medicines, common medical preparations, disinfection formulation, spirits, mixtures, powder, medicates, cosmetics, tablets, pills, capsules, antibiotic, vitamins, multi vitamins, vitamin preparations, medicine coating, contraceptives, vaccines, veterinary medicines and preparations, tinctures, inactions, water for injections, ointments, lotions, triturations, globules, tonics in the form of injectable and transfusion solutions, compounds, syrups, granules, drops, platers, adhesives, inhaler, inharub, health products, mother tinctures, glucose, nourishment foods, auxiliaries for human and/or animals, birds, insects, consumption and application prescribed under any branch of medicine including allopathy, homeopathy, herbal, ayurved, unani, naturopathy osteopathy for oral, intra muscular, intra dermal, parenteral and external application under any therapy for whatever purposes such as prevention, cure prophylactic and nourishments."

4.3 It shall be deemed that the members of the Amalgamated Company 2 and Amalgamating Company 2 have also resolved and accorded all relevant consents under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable, for the amendments of the Memorandum of Association of the Amalgamated Company 2 as above. Pursuant to this Scheme, the Amalgamated Company 2 shall file the requisite forms with the Registrar of Companies for alteration of its main objects and the consequent amendment of the Memorandum of Association.

5.0 Conditions to effectiveness of the Scheme

5.1 The Scheme is conditional upon and subject to:

- (i.a) this Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, as applicable, of the Companies as required under the 1956 Act or the 2013 Act, as applicable, and the requisite order of the High Court being obtained, or dispensation having been received from the High Court in relation to obtaining such consent from the shareholders and/or creditors, as applicable;
- (i.b) such other approvals and sanctions including sanction of any Governmental Authority including the RBI, as may be required by law or material contract in respect of the Scheme;
- (i.c) the High Court having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to the Companies; and
- (i.d) such certified/authenticated copy of the Order of the High Court being filed with the Registrar of Companies, Ahmedabad.

5.2 In case any of the conditions in the Scheme are not satisfied or waived, then the Companies shall be at liberty to withdraw the Scheme.

6.0 Dividend

6.1 The Companies 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.

6.2 The holders of the shares of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

6.3 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 Companies to demand or claim any dividends which, subject to the provisions of the 1956 Act or the 2013 Act, as applicable, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and subject to the approval, if required, of the respective members of the Companies.

7.0 Applications

7.1 The Companies shall make necessary applications before the High Court for the sanction of this Scheme under Sections 391 to 394, Section 100 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act, as applicable, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective shareholders and/or creditors and for sanctioning this Scheme with such modifications, as may be approved by the Court.

7.2 The Amalgamated Company 2 shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Amalgamated Company 2 may require to carry on the business of the Amalgamating Companies.

8.0 Modifications to the Scheme

The Companies (by their 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 High Court and/or any other Governmental Authority may deem fit 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 Companies 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 purposes 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; or
- (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 pertains to the Amalgamating Companies or not, on the basis of any evidence that they may deem relevant for this purpose.

9.0 When the Scheme comes into operation

9.1 The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date. It is clarified that sequentially the Scheme shall come into effect Chapter-wise i.e. Chapter 2, followed by Chapter 3 and thereafter Chapter 4.

9.2 With effect from the Effective Date, the Amalgamated Company 2 shall carry on and shall be authorized to carry on the businesses of the Amalgamating Companies. For the purposes of giving effect to the order of the High Court under Section(s) 391 to 394, Section 100 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act as applicable, approving the Scheme, the Amalgamated Company 2 shall at any time pursuant to such orders be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Amalgamating Companies in accordance with the provisions of the Section(s) 391 to 394 of the 1956 Act or the relevant provision of the 2013 act as applicable. The Amalgamated Company 2 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.

9.3 The Amalgamated Company 2 shall be entitled to, amongst other, file/ or revise its income tax returns, TDS/TCS returns, wealth tax returns, service tax, excise, VAT, entry tax, professional tax or any other statutory returns, if required, claim credit for advance tax paid, tax deducted 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 Amalgamated Company 2 previously disallowed in the hands of Amalgamating Companies under the Income Tax Act, credit of tax under Section 115JB read with Section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld etc., if any, pertaining to the Amalgamating Companies 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 Amalgamated Company 2 shall have the right 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, or on behalf of, the Amalgamating Companies relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Amalgamated Company 2 and the Amalgamated Company 2 shall be entitled to claim credit or refund for such taxes or duties.

9.4 Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Amalgamating Companies, including any taxes paid and taxes deducted at source and deposited by the Amalgamating Companies on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Amalgamated Company 2 and shall be available to the Amalgamated Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by the Amalgamating Companies on transactions other than inter se transactions during the period between Appointed Date and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Amalgamated Company 2. Any TDS deducted by, or on behalf of, the Amalgamating Companies on inter se transactions will be treated as tax deposited by the Amalgamated Company 2.

9.5 Transfer and vesting of assets and liabilities of the Transferor Company and Amalgamating Companies (including intangible assets, whether or not recorded in the books) as the case may be in terms of Chapter 2, 3 and 4 is not a sale in the course of business or otherwise.

10.0 Severability

10.1 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.

10.2 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Companies and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

11.0 Costs

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by the Companies in relation to or in connection with the Scheme and incidental to the completion of the Slump Sale and Amalgamation in pursuance of the Scheme shall be borne by Amalgamating Company 2 and/or Amalgamated Company 2 as the case may be.



February 23, 2016

The Board of Directors
Dishman Pharmaceuticals & Chemicals Limited
Bhadr-Raj Chambers,
Swastik Cross Road, Navrangpura,
Ahmedabad - 380009, Gujarat

Dear Members of the Board,

Centrum Capital Ltd have been informed that the Board of Directors of Dishman Pharmaceuticals & Chemicals Ltd ("DPCL"), Dishman Care Ltd ("DCL") and Carbogen Amcis (India) Ltd ("CAIL") are considering Scheme of Arrangement & Amalgamation with effect from the **Appointed Date of January 1st 2015**

This Scheme of Arrangement & Amalgamation ("**Scheme**") provides for:

- (i) Transfer and vesting of ETP Undertaking (as defined hereinafter) of DPCL into CAIL by way of Slump Sale (as defined hereinafter)
- (ii) Amalgamation of DCL with DPCL pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956
- (iii) Amalgamation of DPCL with CAIL pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956
- (iv) Subject to satisfactory fulfilment and accomplishment of (i), (ii) and (iii) above, reduction in the share capital of DCL & DPCL under the provisions of Sections 100-104 of the Companies Act, 1956.
- (v) Subject to satisfactory fulfilment and accomplishment of (i), (ii), (iii) and (iv) above, change of name of CAIL to Dishman Carbogen Amcis Limited.

The total consideration for transfer of the ETP undertaking of DPCL to CAIL shall be Rs.15 Crs.

No consideration for amalgamation of DCL with DPCL as DCL is a wholly owned subsidiary of DPCL & hence upon the Scheme being effective and dissolution of DCL the equity shares held by DPCL in DCL shall be cancelled and stand extinguished.

The consideration for amalgamation of DPCL into CAIL shall be "1 (One) Equity Share of the face value of Rs.2/- each of CAIL, for every 1 (One) Equity Share of the face value of Rs.2/- each held in DPCL"

In connection with the aforesaid DPCL has appointed Centrum Capital Ltd ("**Centrum**") to provide fairness opinion on Valuation report dated February 23, 2016 submitted by M/s Sharp and Tannan, Chartered Accountants ("**Valuer**") an Independent Chartered Accountant with respect to the Scheme of Arrangement & Amalgamation

BACKGROUND

Dishman Pharmaceuticals and Chemicals Limited: DPCL is a public company limited by shares incorporated in 1983 under the provisions of the Companies Act, 1956. The issued & paid up equity share capital of DPCL as on 31st December 2015 was Rs. 16,13,94,272 divided into 8,06,97,136 equity shares of Rs. 2/- each and listed on BSE Ltd. and National Stock Exchange of India Limited.

Centrum Capital Limited, (CIN No: L65990MH1977PLC019986)
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Fax: +91 22 4215 9533 / 9316 Website: www.centrum.co.in Registered Office: 1st Floor, Bombay Mutual Building, Dr. D N Road
Indl. Mumbai - 400 001 Tel: +91 22 2266 2434 Fax: +91 22 2266 1105 email: info@centrum.co.in Website: www.centrum.co

CENTRUM

The company is engaged in following

- Contract Research and Manufacturing Services
- Manufacture and supply of marketable molecules such as specialty chemicals, vitamins & chemicals and disinfectants

Dishman Care Ltd: DCL is a limited non-listed company, incorporated in 2010. It is a wholly owned subsidiary of DPCL with its registered office in Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat. The issued & paid-up equity share capital of DCL as on 31st December 2015 was Rs. 5,00,000 divided into 250,000 equity shares of Rs. 2/- each.

The company is engaged in engaged in market research, development and marketing of disinfectant products to be manufactured by Dishman Pharmaceuticals and Chemicals Limited.

Carbogen Amcis (India) Ltd: CAIL is a limited non-listed company incorporated in 2007. It is a wholly owned subsidiary of DPCL with its registered office in Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad - 380009, Gujarat. The issued & paid-up equity share capital of CAIL as on 31st December 2015 was Rs. 5,00,000 divided into 250,000 equity shares of Rs. 2/- each

The company is engaged in engaged in research and development, including regulatory filings of certain pharmaceutical molecules for some of the overseas subsidiaries of Dishman Pharmaceuticals and Chemicals Limited

ETP Undertaking shall mean DPCL's undertaking, business, activities and operations pertaining to its Water Treatment Systems - Effluent Treatment Plants ("ETP") for treatment of Low COD (Chemical Oxygen Demand) waste at Bavla, ETP for treatment of High COD waste at Bavla (termed as Zero Discharge System) and ETP for treatment of Low COD waste at Naroda, and shall also include but not limited to the following:

- All assets (wherever situated), whether movable or immovable including land and building, capital work in progress, tangible or intangible, real or personal, corporeal and incorporeal, including furniture, fixtures, vehicles, stocks and inventory, office equipment, appliances, accessories, unquoted investments, leasehold assets, easements and other properties, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, together with all present and future liabilities (including contingent liabilities, if any) pertaining to the ETP Undertaking;
- All rights, entitlements, approvals, licenses, consents, permissions, brands, logos, engagements, arrangements, municipal permissions belonging to or proposed to be utilized for the ETP Undertaking;
- All secured and unsecured debts, liabilities (including contingent liabilities), duties, undertakings and obligations pertaining to the ETP business of every kind, nature and description whatsoever and howsoever arising in connection with or relating to the ETP Undertaking;
- All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, agreed term sheets, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders, job orders or other instruments of whatsoever nature to which DPCL is a party, exclusively relating to ETP Undertaking,

business, activities and operations pertaining to its ETP Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the DPCL in relation to its ETP Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, if any, and all other rights, title, interests, privileges and benefits of every kind in relation to its ETP Undertaking;

- All registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the DPCL in ETP Undertaking, business, activities and operations pertaining to the ETP Undertaking;
- All employees of DPCL employed in the ETP Undertaking as identified by the Board of Directors of DPCL, as on the Effective Date;
- All records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, labels lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the ETP Undertaking.

RATIONALE OF THE PROPOSED SCHEME OF ARRANGEMENT & AMALGAMATION

This Scheme is expected to enable better realisation of potential of the businesses of the Companies and yield beneficial results and enhanced value creation for the Companies, their respective shareholders, creditors and employees. The rationale for the proposed Scheme is set out below:

- Consolidation of the business and simplification of the group structure. Further, the amalgamation will provide a high level of synergistic integration of operations and better operational management.
- Through the "One Company, Two Brands" strategy, the group has been delivering complex solutions suiting the diverse needs of the global customers. The proposed Scheme re-emphasises the strategy of "One Company, Two Brands" with both "Dishman" and "Carbogen Amcis" brands being reflected in the trade name of one company.
- Synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements (as all as assets, tangible and intangible, including those not recorded in the books of the amalgamating company, and liabilities of the amalgamating company shall be taken over by the amalgamated company and recorded at their respective fair values), leading to improved alignment of debt and enhancement in earnings and cash flow.
- The amalgamated company would be able to better leverage on its large network base and have enhanced business potential and increased capability to offer a wider portfolio of products and services with a diversified resource base and deeper client relationships.

CENTRUM

- It would result in financial resources being efficiently merged and pooled leading to more effective and centralised management of funds, greater economies of scale, stronger base for future growth and reduction of administrative overheads (i.e. cost rationalization), which are presently being divided and dissipated between multiple separate entities. The amalgamation shall lead to greater efficiency in management of the businesses, simplicity and reduction in regulatory compliances and cost.
- It will improve and consolidate internal controls and functional integration at various levels of the organisation such as information technology, human resources, finance, legal and general management leading to an efficient organisation capable of responding swiftly to volatile and rapidly changing market scenarios.
- It will facilitate debt consolidation which will improve the debt servicing abilities through improved cash flows.
- It would enhance the value of stakeholders through seamless access to strong corporate relationships and other intangible benefits of DPCL built up over approximately three decades of experience, enhanced scale of operations and sharper focus.

BASIS OF OPINION

The scheme provides for the following

- Slump Sale of the ETP Undertaking from DPCL to CAIL as a going concern; ("Slump Sale"):** Based on the valuation report of the Fair Market value of the assets and liabilities comprised in the ETP Undertaking provided, the value of the ETP Undertaking is Rs. 15 Crs.
- Amalgamation of DCL with DPCL:** As a consideration for amalgamation no new shares will be issued as DCL is a wholly owned subsidiary of DPCL & hence upon the Scheme being effective and dissolution of DCL the equity shares held by DPCL in DCL shall be cancelled and stand extinguished.
- Amalgamation of DPCL with CAIL:** DPCL holds 100% of the paid up capital of CAIL. Hence upon the Scheme being effective and dissolution of DPCL, the equity shares held by DPCL in CAIL shall be cancelled and stand extinguished. As a consideration for the transfer, equity shares of CAIL shall be issued to the equity shareholders of DPCL and the same shall rank pari-passu. The existing equity share capital of CAIL shall be cancelled and the shareholders of DPCL will become the only shareholders of CAIL, thus CAIL will then get a mirror reflection in the capital structure as that of DPCL.

The exchange ratio is based on the Valuation report dated February 23, 2016 submitted by M/s Sharp and Tannan, Chartered Accountants an Independent Chartered Accountant.

Centrum has taken the foregoing facts (together with the other facts and assumptions set forth in the section Limitation of Scope and Review) into account when determining the meaning of "fairness" for the purpose of this opinion.

LIMITATION OF SCOPE AND REVIEW

The Fairness Opinion only aims to represent that the Swap Ratio as contained in the Opinion is fair and further that the Fairness Opinion shall be valid only for a limited period of time post Centrum's assessment of the relevant information. The Fairness Opinion may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity. Fairness Opinion assessment and the Opinion is specific to the date of this report. As such, the Opinion is, to a significant extent, subject to continuance of current trends beyond the date of the report.

Centrum's opinion and analysis is limited to the extent of review of documents as provided to Centrum by DPCL, DCL and CAIL including the Valuation report dated February 23, 2016, submitted by the Valuer and the draft Scheme

Centrum has relied upon the accuracy and completeness of all information and documents provided including Audited Annual Accounts of DPCL, DCL and CAIL for period FY 2012-13 to FY 2014-15, - limited review financial results of DPCL, audited financial results of DCL and CAIL for nine-month ended December 31, 2015 and Financial Projections as provided by DPCL without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. Centrum has not conducted any independent valuation or appraisal of any of the assets or liabilities of DPCL and/or its subsidiaries. In particular Centrum does not express any opinion as to the value of any asset of DPCL and/or its subsidiaries whether at current prices or in the future.

No investigation of the Companies claim to title of assets has been made for the purpose of the exercise and the Companies claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. No due diligence into any right, title or interest in property or assets was undertaken and no responsibility is assumed in this respect or in relation to legal validity of any such claims.

Centrum's opinion is not and should not be construed as Centrum's opining or certifying the compliance of the proposed Arrangement and Amalgamation with the provisions of any law including companies, taxation and related laws or as regards any legal implications or issues arising from such proposed amalgamation.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Centrum does not express any opinion as to the price at which shares of DPCL may trade at any time, including subsequent to the date of this opinion. In rendering the opinion Centrum has assumed that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions and that in course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have adverse effect on DPCL and/or its subsidiaries and their respective shareholders.

Centrum has also not opined on the fairness of any terms and conditions of the Scheme other than the fairness, from financial point of view, of the consideration for the slump sale and the share exchange ratio for the purpose of amalgamation. We acknowledge that this Fairness Opinion will be shared to the extent as may be required, with relevant High Court/Tribunal, stock exchanges, advisors of the Companies as well as with statutory authorities in relation to the proposed Scheme.

Centrum assume no responsibility for updating or revising its opinion based on circumstances or events occurring after the date hereof. Centrum's opinion is specific to arrangement and

CENTRUM

amalgamation as contemplated in the Scheme as provided to Centrum and is not valid for any other purpose. It is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein.

Save and except for DPCL, Centrum owes no responsibility to any person in connection with this Fairness Opinion. It may be noted that Centrum's liability in connection with this Fairness Opinion shall be limited only to the extent of fees received for the purpose of this engagement. Centrum does not accept any liability to any third party in relation to the issue of this Fairness Opinion. Neither this Fairness Opinion nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without Centrum's prior written consent. Centrum retains the right to deny permission for the same.

In the ordinary course of business, Centrum and its affiliates are engaged in securities trading, securities brokerage and investment activities as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Centrum and its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the proposed Scheme.

VALUER'S RECOMMENDATION

The total consideration for transfer of the ETP undertaking of DPCL to CAIL shall be Rs.15 Crs

No consideration for amalgamation of DCL with DPCL as DCL is a wholly owned subsidiary of DPCL & hence upon the Scheme being effective and dissolution of DCL the equity shares held by DPCL in DCL shall be cancelled and stand extinguished.

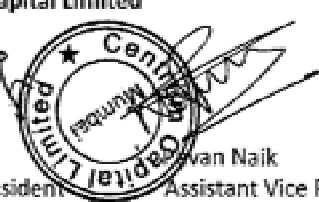
Consideration for amalgamation of DPCL with CAIL will be 1 (One) Equity Share of the face value of Rs.2/- each of CAIL, for every 1 (One) Equity Share of the face value of Rs.2/- each held in DPCL.

OPINION

Having regard to all relevant factors, on the basis of information provided and explanations given to Centrum by the Companies and Valuer, Centrum is of the opinion on the date hereof to the best of its knowledge and belief, that the above recommendation by M/s Sharp & Tannan, Chartered Accountants is fair considering that all shareholders of DPCL are and will upon the Arrangement and Amalgamation be the ultimate beneficial owners of CAIL in exactly the same ratio as they hold in DPCL.

Yours truly,
For Centrum Capital Limited


Gaurav Saravgi
Senior Vice President


Anshuman Naik
Assistant Vice President

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8th April, 2016

To, The Manager, Listing Department, National Stock Exchange of India Ltd. "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	To, Department of Corporate Services Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
Ref. : (i) Symbol – DISHMAN (ii) Series – EQ (iii) ISIN No: INE353G01020	Ref.: (i) Scrip Code No. : 532526 (ii) ISIN No: INE353G01020

Dear Sir / Madam,

Sub: Submission of Complaint Report

With reference to our application on scheme of arrangement and amalgamation among Dishman Pharmaceuticals and Chemicals Limited, Dishman Care Limited and Carbogen Amcis (India) Limited please find enclosed herewith the complaints report dated 8th April 2016 for the period from 17th March, 2016 to 7th April, 2016 as per format prescribed in Annexure III of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015.

Kindly take this on your record.

For Dishman Pharmaceuticals and Chemicals Ltd
Harshil Dalal**Sr. V.P. (Finance & Accounts)**

Encl : As above

Dishman Pharmaceuticals and Chemicals Limited

Registered Office: Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad – 380 009 India.

Tel: +91 (0) 79 26443053 / 26445807 Fax: +91 (0) 79 26420198

Email: dishman@dishmangroup.com Web: www.dishmangroup.com

Government Recognised Export House

CIN NO L24230GJ1983PLC006329



Complaint Report

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock exchanges	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part A

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
N.A.			

Date : 8th April, 2016

Place : Ahmedabad

For Dishman Pharmaceuticals and Chemicals Ltd



Harshil Dalal

Sr. V.P. (Finance & Accounts)

Dishman Pharmaceuticals and Chemicals Limited

Registered Office: Bhadr-Raj Chambers, Swastik Cross Roads, Navrangpura, Ahmedabad - 380 009 India.

Tel: +91 (0) 79 26443053 / 26445807 Fax: +91 (0) 79 26420198

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Government Recognised Export House

CIN NO L24230GJ1983PLC006329

DCS/AMAL/MN/24(f)/385/2016-17
May 12, 2016

The Company Secretary
Dishman Pharmaceuticals & Chemicals Ltd.
Bhadra Raj Chambers, Swastik Cross Road,
Navrangpura, Ahmedabad, Gujarat, 380009.



Sub: Observation letter regarding the Draft Scheme of Arrangement between Dishman Pharmaceuticals & Chemicals Ltd, Carbogen Amics (India) Limited and Dishman Care Limited.

We are in receipt of Draft Scheme of Arrangement between Dishman Pharmaceuticals & Chemicals Ltd, Carbogen Amics (India) Limited and Dishman Care Limited.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated May 11, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***"Company shall duly comply with various provisions of the Circulars."***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

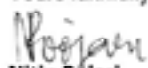
Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 | E: corp.com@bseindia.com | www.bseindia.com
Corporate Identity Number : U67120PB12005PLC155188

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Ref: NSE/LIST/72666

May 12, 2016

The Sr. V. P. (Finance & Accounts)
Dishman Pharmaceuticals and Chemicals Limited
Bhadr Raj Chambers,
Swastik Cross Roads, Navrangpura,
Ahmedabad - 380009

Kind Attn.: Mr. Harshil Dalal

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement and Amalgamation amongst Dishman Pharmaceuticals and Chemicals Limited and Carbogen Amcis (India) Limited and Dishman Care Limited and their respective shareholders and creditors

This has reference to draft Scheme of Arrangement and Amalgamation (Under Sections 391 To 394 Read With Section 100 and other Applicable Provisions of The Companies Act, 1956 and Companies Act, 2013) amongst Dishman Pharmaceuticals and Chemicals Limited and Carbogen Amcis (India) Limited and Dishman Care Limited and their respective shareholders and creditors submitted to NSE vide letter dated March 8, 2016.

Based on our letter reference no Ref: NSE/LIST/69706 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI vide letter dated May 11, 2016, has commented that *"The Company shall duly comply with various provisions of the Circular"*.

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the listing of equity shares of Carbogen Amcis (India) Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. Further, Carbogen Amcis (India) Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing such company and also comply with other applicable statutory requirements. However, the listing of shares of Carbogen Amcis (India) Limited is at the discretion of the Exchange.

The listing of Carbogen Amcis (India) Limited, pursuant to the Scheme of Amalgamation shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Carbogen Amcis (India) Limited and its group companies in line with the disclosure requirements applicable for public through website of the Company.

I.



Continuation Sheet

2. To publish an advertisement in the newspaper containing all the information about Carbogen Amcis (India) Limited in line with the details required as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all material information about Carbogen Amcis (India) Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosure about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - a. "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
 - b. "There shall be no change in the shareholding pattern or control in Carbogen Amcis (India) Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from May 12, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme.
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable, and
- f. Complaints Report as per Annexure III of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Samir Naringrekar
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporate/content/further_issues.htm

This Document Digitally Signed

2.



Signer: Samir Naringrekar
Date: Thu, May 12, 2016 21:12:50 GMT+05:30
Location: NSE



Dishman Pharmaceuticals and Chemicals Limited

CIN : L24230GJ1983PLC006329

Regd. Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009, Gujarat

Tel. No.: 91-79-26443053, 26445807, Fax No.: 91-79-26420198

Email: grievance@dishmangroup.com Website: www.dishmangroup.com

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORDINARY ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 279 OF 2016**

In the matter of the Companies Act, 1956;

And

In the matter of Sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 and other relevant provisions of Companies Act, 1956 and Companies Act, 2013;

And

In the matter of the Scheme of Arrangement and Amalgamation amongst:

Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited;

Dishman Pharmaceuticals and Chemicals Limited,
a company incorporated under the provisions of the Companies Act,
1956 and having its registered office at Bhadr-Raj Chambers, Swastik
Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat.

.... Applicant Company

FORM OF PROXY FOR MEETING OF THE UNSECURED CREDITORS

I, the undersigned, an Unsecured Creditor of the above company, hereby appoint _____ (name of the person), _____ of _____ and failing him _____ (name of the person), _____ of _____, as my proxy to act for me at the Court convened meeting of the Unsecured Creditors of the Applicant Company to be held at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat, on Friday, the 5th day of August, 2016, at 11:00 a.m., for the purpose of considering and if thought fit, approving with or without modification, Scheme of Arrangement and Amalgamation proposed to be made amongst Dishman Pharmaceuticals and Chemicals Limited; Carbogen Amcis (India) Limited and Dishman Care Limited and at such meeting and any adjournment thereof, to vote for me and in my name _____ [here, if 'for', insert 'for'; if 'against', insert 'against' and in the latter case, strike out the words below after 'Scheme of Arrangement and Amalgamation'] the said Scheme of Arrangement and Amalgamation either with or without modification as my proxy may approve.

[Strike out what is not necessary]

Dated this ____ day of _____, 2016

Signature of Unsecured Creditor _____

Signature of Proxy holder(s) _____

Affix
Re.1/-
Revenue
Stamp

Name: _____

Address: _____

Notes:

- 1) The Proxy Form must be deposited at the Registered Office of the Applicant Company at Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad- 380009, Gujarat, at least 48 hours before the time for holding the meeting.
- 2) All alterations made in the Form of Proxy should be initialled.

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Dishman Pharmaceuticals and Chemicals Limited

CIN : L24230GJ1983PLC006329

Regd. Office: Bhadr-Raj Chambers, Swastik Cross Road, Navrangpura, Ahmedabad – 380 009, Gujarat

Tel. No.: 91-79-26443053, 26445807, Fax No.: 91-79-26420198

Email: grievance@dishmangroup.com Website: www.dishmangroup.com

ATTENDANCE SLIP

I hereby record my presence at the Court convened meeting of the Unsecured Creditors of the Company, convened on Friday, the 05th day of August, 2016, at 11.00 a.m. at Hall No.S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad -380 015, Gujarat.

NAME OF THE UNSECURED CREDITOR (In Block Letters)	
REGISTERED ADDRESS (In Block Letters)	
EMAIL ID	
AMOUNT DUE AS PER THE BOOKS OF ACCOUNTS OF THE COMPANY	

Name and Address of the Proxy (to be filled in by the proxy attending instead of the Unsecured Creditors):

NAME (In Block Letters)	
ADDRESS (In Block Letters)	
EMAIL ID	

Signature of the Unsecured Creditors / Proxy

NOTE: *Unsecured Creditors attending the Meeting in person or through Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.*

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