

IN THE HIGH COURT OF JUDICATURE AT MADRAS
(Ordinary Original Civil Jurisdiction)

COMPANY APPLICATION NO. 557 OF 2011

In the matter of the Companies Act, 1956 (1 of 1956)

And

In the matter of Sections 391 to 394 of the Companies Act, 1956

And

In the matter of Scheme of Amalgamation of Lohia Metals Private Limited with
Pondy Oxides And Chemicals Limited

Pondy Oxides And Chemicals Limited,
a Company incorporated under the Companies
Act, 1956 and having its Registered Office at
KRM Centre, 4th Floor,
#2 Harrington Road, Chetpet,
Chennai-600031, represented by
Mr. Anil Kumar Bansal,
Managing Director

...APPLICANT/
TRANSFeree COMPANY

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS

To,

All Equity Shareholders
Pondy Oxides And Chemicals Limited

TAKE NOTICE that by an Order made on 24th August, 2011 the Hon'ble High Court of Judicature at Madras has directed that a meeting of Equity Shareholders of the Applicant Company be held on 24th September 2011 at 11.45 A.M at Naradha Ghana Sabha (Mini Hall), 314 (Old No. 254), TTK Road, Chennai 600 018 for the purpose of considering, and if thought fit, approving, with or without modification, the Amalgamation embodied in the Scheme of Amalgamation proposed to be made between Lohia Metals Private Limited with Pondy Oxides And Chemicals Limited and their respective shareholders.

TAKE FURTHER NOTICE that in pursuance of the said Order, a meeting of the Equity Shareholders of the Applicant Company will be held on 24th September 2011 at 11.45 A.M at Naradha Ghana Sabha (Mini Hall), 314 (Old No. 254), TTK Road, Chennai 600 018 which 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 the proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Applicant Company at KRM Centre, 4th Floor #2 Harrington Road, Chetpet, Chennai-600031 not later than 48 hours before the meeting.

Pondy Oxides and Chemicals Limited

The quorum for the meeting shall be 250 members present in person or by proxy.

The Hon'ble High Court has appointed Mrs. R. Sumithra Chakravarthy, Advocate No. III A, High Court Chambers, High Court Building, Chennai - 600 104 and in her absence, Mrs. L. Margaret, Advocate, Women Lawyers Association, High Court Chennai, as the Chairman of the said meeting. A copy of the said Scheme of Amalgamation, the statement under Section 393 of the Companies Act, 1956, and a form of proxy is enclosed.

Dated at Chennai this 30th day of August 2011.

Sd/-

Mrs. R. Sumithra Chakravarthy
Chairman appointed for the Meeting

Reg Address :

KRM Centre, 4th Floor
#2 Harrington Road, Chetpet,
Chennai-600031

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Pondy Oxides And Chemicals Limited,
a Company incorporated under the Companies
Act, 1956 and having its Registered Office at
KRM Centre, 4th Floor,
#2 Harrington Road,
Chetpet, Chennai-600031.
represented by Mr. Anil Kumar Bansal,
Managing Director

...APPLICANT/
TRANSFeree COMPANY

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. By an order dated 24th August 2011, the Hon'ble High Court of Judicature at Madras has directed that a meeting of Equity Shareholders of the Applicant Company be held on Saturday, 24th September, 2011 at 11.45 A.M. at Naradha Ghana Sabha (Mini Hall), 314 (Old No.254), TTK Road, Chennai 600 018 for the purpose of considering, and if thought fit, approving with or without modification, the amalgamation embodied in the Scheme of Amalgamation of Lohia Metals Private Limited with Pondy Oxides And Chemicals Limited.
2. This statement explaining the terms of the scheme is being furnished as required under section 393(1)(a) of the Companies Act, 1956. In this Statement, the Applicant Company, Pondy Oxides And Chemicals Limited, is also referred to as "Transferee Company", and Lohia Metals Private Limited is hereinafter referred to as "Transferor Company".
3. The Applicant Company, Pondy Oxides And Chemicals Limited was incorporated under the Companies Act, 1956 on 21st March, 1995 in the State of Tamil Nadu.
4. The Registered office of the Applicant Company is situated at KRM Centre, 4th Floor, #2 Harrington Road, Chetpet, Chennai-600031.
5. The Capital Structure of the Applicant Company as on 31st March 2010 is as follows:

AUTHORISED:	(in Rs.)
1,15,00,000 Equity shares of Rs. 10/- each	11,50,00,000
ISSUED, SUBSCRIBED AND PAID UP:	
1,01,07,125 Equity shares of Rs.10/- each, fully paid up	10,10,71,250
TOTAL	10,10,71,250

Pondy Oxides and Chemicals Limited

Subsequent to March 31, 2010 there has been no change in the Authorised, Issued, Subscribed and Paid up Capital of the Applicant Company.

6. The Applicant Company commenced its business operations soon after incorporation and is presently engaged in the business of manufacturing, distributing, buying, selling, supplying, converting, importing, exporting, storing, stocking, treating, refining, repairing, maintaining, charging, re-charging, re-storing, re-conditioning, Zinc Metal, Lead Metal, Zinc Ingots, Zinc Dross, Zinc Oxide, Lead Sub Oxide, Lead Oxide, Litharge, Red Lead, Zinc Lead Salt and Oxide, Salts and Oxides of other metals including PVC Stabilizers and all types of batteries or other batteries, their components, parts, ingredients, substances, systems, consumables, accessories or fittings and to do all acts and things necessary for the attainment of foregoing Objects.
7. Lohia Metals Private Limited, the Transferor Company was incorporated under the Companies Act, 1956 under the name of "Lohia Securities Private Limited" on 26th April 1995 in the State of Tamil Nadu. The name of the Transferor Company, with due approvals, was changed as "Lohia Metals Private Limited" on 19th March, 2004.
8. The Registered Office of the Transferor Company is situated at KRM Centre, 4th Floor, #2 Harrington Road, Chetpet, Chennai-600031.
9. The Authorised Share Capital of the Transferor Company as on 31st March 2010 is Rs.90,00,000/- divided into 9,00,000 Equity Shares of Rs. 10/- each. The issued, subscribed and paid-up share capital of the Transferor Company as on 31st March 2010 is Rs. 90,00,000/- divided into 9,00,000 Equity Shares of Rs. 10/- each. Subsequent to 31st March 2010 there has been no change in the Authorised, Issued and Paid up Share Capital of the Transferor Company.
10. The Transferor Company commenced its business operations soon after incorporation and is presently engaged in the business of Manufacturing, Distributing, buying, selling, supplying, converting, importing, exporting, storing, stocking, treating, refining, repairing, maintaining, charging, recharging, restoring, reconditioning and trading of Lead Metal, Lead Alloys and Lead Oxides, non-ferrous metals and their allied products of all kind and all types of batteries their components, parts and to do all acts and things necessary for the attainment of foregoing objects.
11. The amalgamation of the Transferor Company with the Transferee Company will be effected by a Scheme of Amalgamation (hereinafter referred to as "the Scheme") under Sections 391 to 394 of the Companies Act, 1956 (hereinafter referred to as "the Act").
12. The Board of Directors of the Transferor Company and the Transferee Company have in their respective Board Meetings, both held on 18th March, 2011, approved and adopted the proposed Scheme of Amalgamation, a copy whereof is sent herewith. The proposed Scheme of Amalgamation under Sections 391 and 394 of the Companies Act, 1956 is deemed to form part of this statement.
13. The salient features of the Scheme are as follows:

(i) TRANSFER AND VESTING OF THE TRANSFEROR COMPANY INTO TRANSFEE COMPANY

- a) The Appointed Date for the Scheme is the 1st day of October, 2010 (1/10/2010) or if the Boards of Directors of the Transferor Company and the Transferee Company require any other date prior or subsequent to the said date and/or the High Court of Judicature at Madras modifies the Appointed Date to such other date, then the same shall be the Appointed Date.
- b) With effect from the Appointed Date, the whole of the Undertakings of the Transferor Company comprising their entire business, all assets and liabilities of whatsoever nature and wheresoever situated, including the immovable properties, if any, shall, under the provisions of Section 391

read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b), (c) and (d) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the Undertakings of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein;

Provided that for the purpose of giving effect to the vesting order passed under Sections 391 to 394 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Company in accordance with the provisions of Sections 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

- c) All the movable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company.
- d) In respect of movables other than those specified in sub-clause (c) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating third parties shall, to the extent possible, be followed:
 - (i) The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor, loanee or depositor as the case may be, that pursuant to the Court having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the respective Transferor Company to recover or realise the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;
 - (ii) The Transferor Company shall also give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositor that pursuant to the Court having sanctioned the Scheme the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realise the same stands extinguished.
- e) In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, the respective Transferor Company and the Transferee Company will execute necessary documents, as and when required.
- f) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Section 391 read with Section 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

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

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

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

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

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

- h) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licences (including software licences), accreditations to trade and industrial bodies, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible, or having effect immediately before the Effective Date, shall be, and remain in, full force and effect in favour of the Transferee Company, and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary thereto.
- i) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.
- j) Loans or other obligations, if any, due between or amongst the Transferor Company or between or amongst any Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by any Transferor Company, and held by the Transferee Company and vice versa or

issued inter se amongst the Transferor Company are concerned, the same shall, unless sold or transferred by the said Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

- k) The Transferor Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of immovable property, if any, is given to the Transferee Company.
- l) Where any of the liabilities and obligations/assets attributed to the Transferor Company on the Appointed Date has been discharged / sold by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company.
- m) From the Effective Date and till such time that the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.
- n) With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking of the Transferor Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or obligee thereto.
- o) With effect from the Appointed Date, any statutory licenses, permissions, approvals and/or consents, including but not limited to mining leases/licences, held by the Transferor Company required to carry on operations shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in, and become available to, the Transferee Company pursuant to the Scheme coming into effect.
- p) The entitlement to various benefits under incentive schemes and policies in relation to the Undertaking of the Transferor Company shall stand transferred to, and be vested in, and/or be deemed to have been transferred to, and vested in, the Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and other incentives in relation to the Undertaking of the Transferor Company to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Company.
- q) Since each of the permissions, approvals, consents, sanctions, remissions (including remittance under income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs), special reservations, sales tax remissions, holidays, incentives, concessions and other

authorizations relating to the Undertaking of the Transferor Company, shall stand transferred under this Scheme to the Transferee Company, the Transferee Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.

(ii) CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- a) Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature to which the Transferor Company are a party, subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.
- b) As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.
- c) The Transferee Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company are a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.
- d) For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company are a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

(iii) LEGAL PROCEEDINGS

- a) All suits, actions and proceedings of whatsoever nature by or against the Transferor Company on the Appointed Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Company, as the case may be.
- b) If proceedings are taken against any Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till Effective Date, and the latter shall reimburse

and indemnify such Transferor Company, against all liabilities and obligations incurred by the said Transferor Company in respect thereof.

(iv) TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

- a) All the executives, staff, workmen, and other employees in the service of the Transferor Company, immediately before the Appointed Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:
 - 1. Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947;
 - 2. The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
 - 3. In the event of retrenchment of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
 - 4. It is provided that as far as the Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to the employees of the Transferee Company and existing in the Transferee Company for the benefit of the staff, workmen and other employees of the Transferee Company shall also be extended to the employees of the Transferor Company upon the Scheme becoming finally effective. The said benefits shall be extended to the employees of the Transferor Company even if such benefits were not available to the employees during their tenure in the Transferor Company, by virtue of non applicability of the relevant provisions to the Transferor Company. Notwithstanding what is stated herein above in respect of applicability of Employees Provident Fund to the employees of Transferor Company with retrospective effect from a date to be determined by the Board of Directors of Transferee company the extension of benefit to the employees of Transferor Company shall be subject to the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the approvals of the authorities concerned for giving effect to the implementation date. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations, in whatsoever nature, that are available to the employees of the Transferee Company shall also be available to all the employees of the Transferor Company in relation to Provident Fund, Gratuity and Pension and/ or Superannuation Fund or any other special fund, however subject to the provisions of the relevant and applicable statutes.

(v) CONDUCT OF THE BUSINESS OF THE TRANSFEROR COMPANY TILL THE EFFECTIVE DATE

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

- a) The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- b) All profits or income or taxes, including but not limited to income tax, fringe benefit tax, advance taxes, tax deducted at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, etc, accruing or arising to the Transferor Company, or losses arising or expenditure incurred by them, on and from Appointed Date upto

the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.

- c) The Transferor Company shall carry on its business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any of the business undertaking or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).
- d) The Transferee Company shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require in relation to the Undertaking of the Transferor Company including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Transferee Company.
- e) The Transferor Company shall not declare any dividend, between the Appointed Date and the Effective Date, without the prior written consent of the Transferee Company.
- f) The Transferor Company shall not make any modification to its capital structure, either by an increase (by issue of rights shares, bonus shares, convertible Debentures or otherwise), decrease, reclassification, sub-division or re-organisation or in any other manner, whatsoever, except by mutual consent of the Boards of Directors of the Transferor Company and of the Transferee Company.
- g) The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.

(vi) AUTHORISED SHARE CAPITAL

- a) Upon the Scheme becoming fully effective, the authorised share capital of the Transferor Company shall stand combined with the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on their respective authorised share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorised share capital.
- b) Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 94 and 97 and other applicable provisions of the Act by deleting the existing Clause and replacing it by the following:

“V. The Authorised Share Capital of the Company shall be Rs. 12,40,00,000 divided into 1,24,00,000 equity shares of Rs.10/- (Ten) each with the rights, privileges and conditions in attaching thereto as are provided by the regulations of the Company for the time being with powers to increase or reduce the Capital for the time being into several classes, and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company to vary, modify or abrogate, any such rights, privileges or conditions in such manner as may for the time being provided for by the regulations of the Company.”

- c) The approval of this Scheme under Sections 391 and 394 of the Act shall be deemed to have the approval under sections 16, 94, 97 and other applicable provisions of the Act and any other consents and approvals required in this regard.

(vii) CONSIDERATION

- a) Upon this Scheme coming into effect, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further act, application or deed, issue and allot to every member of the Transferor Company, holding fully paid-up Equity Share(s) in the Transferor Company and whose names appear in the Register of Members of the Transferor Company on the Record Date, his/ her heirs, executors, administrators or the successors-in-title, as the case may be 2.5 (two and half) Equity Shares of the face value of Rs. 10/- each of the Transferee Company (hereinafter collectively called the "New Equity Shares") credited as fully paid-up in respect of every 1(one) Equity Shares of face value of Rs. 10/- each fully paid up held by him/ her/ it in Transferor Company.
- b) The Board of Directors of the Transferee Company shall consolidate all fractional entitlements arising due to the issue of Equity Shares in terms of Clause vii (a) above to Equity shareholders of the Transferor Company and thereupon issue and allot Equity Shares in lieu of such fractional entitlements to a Director or an Officer of the Transferee Company, who shall hold such Shares on behalf of the shareholders entitled to such fractional entitlements with the express understanding that such Director/ Officer shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit. The said Director/ Officer shall distribute such net sale proceeds to the shareholders in the same proportion as their respective fractional entitlements bear to the consolidated fractional entitlements. The same procedure shall also be adopted with respect to the shares of Transferor Company held by shareholders holding less than 10 shares.
- c) In so far as any shares issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by the Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect.
- d) Each member of the Transferor Company holding Equity shares in the said company shall have the option, to be exercised by way of giving a notice to the Transferee Company on or before the Record Date, to receive the New Equity Shares of the Transferee Company in dematerialised form. In the event that such notice has not been received by the Transferee Company in respect of any member, the Equity Shares of the Transferee Company shall be issued to such members in physical form. Upon the New Equity Shares being issued and allotted, as aforesaid by the Transferee Company, the Equity Shares issued by the Transferor Company and held by their shareholders, shall be deemed to have been automatically cancelled and of no effect.
- e) The New Equity Shares to be issued and allotted by the Transferee Company as aforesaid in terms of this Scheme shall rank pari passu in all respects with the existing Equity Shares of the Transferee Company but shall not rank for dividend for the period prior to the date of their allotment.
- f) For the purpose aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain any approvals including that of Reserve Bank of India, applicable stock exchanges and other concerned regulatory authorities for the issue and allotment by the Transferee Company of New Equity Shares to the members of the Transferor Company pursuant to the Scheme.
- g) The New Equity Shares of the Transferee Company issued in terms of Clause vii (a) above shall, subject to payment of the appropriate fee and approval of the respective stock exchange(s), be listed on recognised stock exchange(s) in India, where the shares of the Transferee Company are already listed.
- h) The issue and allotment of new equity shares in the Transferee Company to the members of the Transferor Company as provided in this Scheme shall be deemed to have been carried out in

compliance with the procedure laid down under Section 81(1A) and other applicable provisions, if any, of the Act and the Transferee Company shall not be required to obtain any further approvals in this regard.

(viii) ACCOUNTING TREATMENT

- a) The Transferee Company shall, upon the Scheme coming into effect, record the assets and liabilities including provisions of the Transferor Company vested in it pursuant to this Scheme at the respective book values thereof and in the same form as appearing in the books of the Transferor Company at the close of business of the day immediately preceding the Appointed Date.
- b) The Transferee Company shall record the Reserves of the Transferor Company in the same form and at the same values as they appear in the financial statements of the Transferor Company at the close of business of the day immediately preceding the Appointed Date. Balances in the Profit and Loss Account of the Transferor Company shall be similarly aggregated with the balances in Profit and Loss Account of the Transferee Company. Balances shown as Miscellaneous Expenditure (to the extent not written off or adjusted), if any, in the balance sheet of the Transferor Company shall be similarly aggregated with balances of the Transferee Company. Balances in the Deferred Tax Account of the Transferor Company shall be recorded by the Transferee Company in the same form as they appear in the books of the Transferor Company.
- c) The excess of, or deficit in, the value of the assets over the value of the liabilities of the Transferor Company vested in the Transferee Company pursuant to this Scheme as recorded in the books of account of the Transferee Company shall, after adjusting the aggregate face value of the shares issued by the Transferee Company to the members of the Transferor Company pursuant to this Scheme and the amounts recorded in terms of Clause viii (b) above, be adjusted in/ credited to the Reserves in the books of the Transferee Company.
- d) In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. Provided however that insofar as the depreciation policy relating to the assets of the Transferor Company are concerned, the Board of Directors of the Transferee Company may either follow the policy adopted by the Transferor Company or the Transferee Company and make appropriate disclosure of the same in the financial statements.
- e) To the extent there are inter-corporate loans, obligations or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

(ix) CONSEQUENTIAL MATTERS RELATING TO TAX

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

also expressly permitted to claim refunds / credits in respect of any transaction between or amongst any Transferor Company and the Transferee Company or inter se amongst the Transferor Company.

Provided further that upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Certificates, including TDS Certificates relating to transactions between or amongst any Transferor Company and the Transferee Company or inter se amongst the Transferor Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

- b) In accordance with the Cenvat Credit Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties paid on inputs/ capital goods/ input services lying in the accounts of the undertakings of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty/ service tax payable by it.
- c) In accordance with the Tamil Nadu Value Added Tax Act, 2006, as are prevalent on the Effective Date, the unutilized credits, if any, relating to VAT paid on inputs/capital goods lying in the accounts of the undertakings of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Companies shall accordingly be entitled to set off all such unutilized credits against the VAT/ CST payable by it.

(x) APPLICATION TO THE COURT

The Transferor Company shall, with reasonable despatch, apply to the Court for necessary orders or directions for holding meetings of the members of the Transferor Company for sanctioning this Scheme of Amalgamation under Section 391 of the Act or for dispensing the holding of such meetings and orders under Section 394 of the Act, for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up. The Transferee Company shall apply to the Court for necessary orders or directions for holding meeting of the members of the Transferee Company for sanctioning this Scheme of Amalgamation under Section 391 of the Act, for carrying this Scheme into effect.

(xi) DISSOLUTION OF TRANSFEROR COMPANY

Subject to an order being made by the Court under Section 394 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

(xii) MODIFICATIONS / AMENDMENTS TO THE SCHEME

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

- b) If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any Part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part or provision.

(xiii) DATE OF TAKING EFFECT

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

(xiv) SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to -

- a) The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- b) The approval of and agreement to the scheme by the requisite majority of such classes of persons of the Transferor Company and the Transferee Company as may be directed by the Court on the applications made for directions under Section 391 of the Act for calling meetings or for dispensing with their holding.
- c) The sanction by the Court under Sections 391 and 394 and other applicable provisions of the Act being obtained by the Transferor Company and the Transferee Company.
- d) The filing with the Registrar of Companies, Chennai of certified copies of all necessary orders, sanctions and approvals mentioned above by the respective Company.

(xv) EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

(xvi) EXPENSES CONNECTED WITH THE SCHEME

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

14. The main benefits of the Scheme of Amalgamation will be as follows:

The directors of both the Transferor and the Transferee Company have decided to amalgamate the Transferor Company with the Transferee Company in order to ensure better management of the Transferee Company as a single unit. The directors of the Transferor Company are of the opinion that the proposed amalgamation of the Transferor Company with Transferee Company will be for the benefit of both the companies in the following manner:

- a) There is no likelihood that interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Amalgamation will not impose any additional burden on the members of the Transferor Company or the Transferee Company.
- b) The amalgamation will result in creation of an entity with large asset base, substantial network and thus increased ability for promotion of business activities as well as fund raising for enhancement of future business.
- c) It will make available to the Transferee Company, the benefit of financial resources, managerial, technical and marketing expertise of both the Companies.
- d) The Transferee Company will have the benefit of the combined assets, man-power and cash flows of both companies. The combined resources of the Transferee Company will enhance its capability to face competition in the market place more effectively.
- e) A larger and growing company will mean enhanced financial and growth prospects for the people and organizations connected with the company, and will be in public interest.
- f) The shareholders, employees and other stakeholders of both the companies would benefit as a result of proposed amalgamation.

15. The Scheme would not be prejudicial to the interests of the creditors (secured and unsecured) of both the companies. The audited accounts for the year ended 31st March 2010 and the Provisional Balance Sheets as on 30th September, 2010 of the companies indicate that they are in a solvent position and would be able to meet liabilities as they arise in the course of business. Hence, the amalgamation will not cast any additional burden on the shareholders of either company, nor will it affect the interest of any of the shareholders or creditors.

16. Under Section 391 of the Companies Act, 1956, the proposed Scheme will have to be approved by a majority in number representing three-fourths in value of the Equity Shareholders present and voting either in person or by proxy at the meeting. A proxy form is enclosed. It is hoped that in view of the importance of the business to be transacted, you will personally attend the meeting. The signing of the form or forms of proxy will, however, not prevent you from attending and voting in person, if you so desire.

17. The Resolution proposed to be considered in the above meeting, is given hereunder:

“RESOLVED that the Scheme of Amalgamation of Lohia Metals Private Limited with Pondy Oxides And Chemicals Limited, placed before the meeting and initialled by the Chairman for the purpose of identification, be and is hereby approved.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to make and / or consent to any modifications, alterations or amendments in the scheme, which may be deemed to be necessary by them or which are desired, directed or imposed by the Hon'ble High Court of Judicature at Madras or any other authority and to take all such steps as may be necessary and desirable to implement the Scheme and to give effect to this resolution.”

Pondy Oxides and Chemicals Limited

18. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956, in respect of the Applicant Company or the Transferee Company.
19. (a) The Directors of the Applicant Company have no interest in the Scheme except as shareholders in general, the extent of which will appear from the Register of Directors' Shareholding maintained by the Transferor Company and the Transferee Company, which are as follows:

The Directors of the companies concerned are:

Lohia Metals Private Limited [Transferor Company]	Pondy Oxides And Chemicals Limited [Transferee Company]
1. Sunil Kumar Bansal 2. Krishnamurthy Kumaravel 3. Ashish Bansal	1. Ashish Bansal 2. Sudhir Kumar Gupta 3. Anil Kumar Bansal 4. Anil Kumar Sachdev 5. Deepambalpuram Panchapagesan Venkataraman 6. Devakar Bansal 7. Harish Kumar Lohia 8. Padam Chandra Bansal 9. Rajendra Prasad Bansal 10. Perundurai Nachimuthu Sridharan 11. Sunil Kumar Bansal 12. Yerramilli Venkat Raman

- (b) The shareholding of Directors of the Companies participating in this Scheme is as under:

(No of Shares)
(As on 31.07. 2011)

Name of Director	Lohia Metals Private Limited [Transferor Company]	Pondy Oxides And Chemicals Limited [Transferee Company]
Ashish Bansal	37500	333933
Sudhir Kumar Gupta	NIL	671
Anil Kumar Bansal	73000	45947
Anil Kumar Sachdev	NIL	3630
Deepambalpuram Panchapagesan Venkataraman	NIL	NIL
Devakar Bansal	26500	393201
Harish Kumar Lohia	NIL	2390
Padam Chandra Bansal	NIL	425626
Rajendra Prasad Bansal	46100	315933
Perundurai Nachimuthu Sridharan	NIL	NIL
Sunil Kumar Bansal	69900	243918
Yerramilli Venkat Raman	NIL	1129

None of the Directors and Managers of both the companies have any material interest in the Scheme, save and except to the extent of their shareholding in the respective companies or to the extent the said directors are common directors in the companies. Their interest shall not in any way be treated differently than other share holders.

- (c) Shareholding Pattern of the Transferee Company Pre & Post Scheme of Amalgamation is as under:

Pre and Post Scheme Shareholding pattern as on 31/07/2011

Name of the Company	Pre-Scheme		Post-Scheme	
	Number	Percentage	Number	Percentage
Promoters and Promoter Group	3960063	39.18	5040188	45.20
Public	6147062	60.82	6111797	54.80
Total	10107125	100	11151985	100

20. The following documents will be open for inspection at the Registered Office of the Applicant Company between 10.00 a.m. and 12 Noon on any working day of the Applicant Company except Saturday upto the date of the meeting:
1. The Memorandum and Articles of Association of Transferor Company and the Transferee Company.
 2. The Balance Sheets and Profit and Loss Accounts of the Transferor Company and the Transferee Company for the year ended 31st March 2010 and the Provisional Balance Sheets as on 30th September, 2010.
 3. Copy of the Board resolution dated 18th March, 2011 passed by Transferor Company and the Transferee Company approving the Scheme of Amalgamation.
 4. Proposed Scheme of Amalgamation.
 5. Register of Directors' shareholdings of the Transferor Company.
 6. The Valuation Report from M/s. Sarathy & Balu, Chartered Accountants, Chennai.
 7. Fair Opinion provided by Vivro Financial Services Private Limited, Category-1 Merchant Bankers, on the valuation done by M/s. Sarathy & Balu, Chartered Accountants, Chennai.
 8. Certified copy of the Order dated 24th August 2011 passed by the Hon'ble High Court of Judicature at Madras in Company Application No. 557 of 2011.
 9. Copy of the consent letter received from Bombay Stock Exchange Limited and Chennai Stock Exchange Limited.

Dated at Chennai this 30th day of August 2011

Mrs. R. Sumithra Chakravarthy
Chairman appointed for the meeting

**SCHEME OF AMALGAMATION
OF
LOHIA METALS PRIVATE LIMITED (LMPL)
WITH
PONDY OXIDES AND CHEMICALS LIMITED (POCL)
AND
THEIR RESPECTIVE SHAREHOLDERS
(Under Sections 391 to 394 of the Companies Act, 1956)**

PART I – PREAMBLE & RATIONALE

- (A) **Lohia Metals Private Limited** (hereinafter referred to as “LMPL” or “Transferor Company”), was incorporated on the 26th April, 1995 in the State of Tamil Nadu under the name of “Lohia Securities Private Limited”. The name of the Company was, with due approvals, changed as “Lohia Metals Private Limited” with effect from 19th March, 2004. The Company is engaged in the business of manufacturing, distributing, buying, selling, supplying, converting, importing, exporting, storing, stocking, treating, refining, repairing, maintaining, charging, recharging, restoring, reconditioning and trading of Lead metal, lead Alloys and lead oxides, non-ferrous metals and their allied products of all kind and all types of batteries their components, parts and to do all acts and things necessary for the attainment of foregoing objects. The Registered office of the company is situated at KRM Centre, 4th Floor, # 2, Harrington Road, Chetpet, Chennai 600 031.
- (B) **Pondy Oxides and Chemicals Limited** (hereinafter referred to as “POCL” or “Transferee Company”), was incorporated on the 21st day of March 1995 in the State of Tamil Nadu. The Company is engaged in the business of Manufacturing, Distributing, Buying, Selling, Supplying, Maintaining, repairing, Converting, importing, exporting, storing, stocking, treating, re-charging, Refining, all Zinc Metals, lead metals, zinc dross, zinc Oxide, lead sub oxide, litharge, red lead, zinc lead salt, and Oxide salt, and oxides of other metals including PVC Stabilizers and all types of batteries, including storage batteries, dry batteries, solar batteries, button batteries, or other batteries their components, parts, ingredients, substances, systems and to do all acts and things necessary for attainment of foregoing objects and is having its registered office at KRM Centre, 4th Floor, # 2, Harrington Road, Chetpet, Chennai 600 031. The equity shares of the Company are listed in Bombay Stock Exchange, Madras Stock Exchange and Coimbatore Stock Exchange.
- (C) The directors of the Transferor and Transferee Companies have decided to amalgamate the Transferor Company with Transferee Company in order to ensure better management of the Company as a single unit. The directors of the Companies are of the opinion that the proposed amalgamation of the Transferor Company with Transferee Company will be for the benefit of both the Companies in the manner following:
- (i) There is no likelihood that interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Amalgamation will not impose any additional burden on the members of the Transferor Company or the Transferee Company.
 - (ii) By the amalgamation, the operational costs will be considerably reduced and Transferee Company will be able to operate and run the company more effectively and economically resulting in better turnover and profits.

- (iii) It will make available to the Transferee Company, the benefit of financial resources, managerial, technical and marketing expertise of the Transferor Company.
- (iv) Transferee Company will have the benefit of the combined reserves, assets, man-power and cash flows of both the Companies. The combined resources of Transferee Company will enhance its capability to face competition in the market place more effectively.

PART II - GENERAL

1. DEFINITIONS

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

- 1.1 **“Act”** means the Companies Act, 1956 or any statutory modification or reenactment thereof.
- 1.2 **“Appointed Date”** means the date from which this Scheme shall become operative viz., 1/10/2010 or if the Boards of Directors of the Transferor Company and the Transferee Company require any other date prior or subsequent to the said date and/or the High Court of Judicature at Madras modifies the Appointed Date to such other date, then the same shall be the Appointed Date.
- 1.3 **“Court”** means the Hon'ble High Court of Judicature at Madras or such other Court / Tribunal empowered to sanction the Scheme as per the provisions of the Act.
- 1.4 **“Effective Date”** means the date or last of the dates on which the certified copy of the order of the Court sanctioning this Scheme is filed with the Registrar of Companies by the Transferor Company and the Transferee Company.
- 1.5 **“Record Date”** shall mean the date to be fixed by the Board of Directors of the Transferee Company, for the purpose of determining the members of the Transferor Company to whom shares will be allotted pursuant to this Scheme, in the Transferee Company.
- 1.6 **“Scheme of Amalgamation” or “Scheme” or “The Scheme” or “This Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) approved, imposed, or directed by the Court.
- 1.7 **“Transferee Company”** means Pondy Oxides and Chemicals Limited, a company incorporated under the Companies Act, 1956, and having its registered office at KRM Centre, 4th Floor, # 2, Harrington Road, Chetpet, Chennai 600 031.
- 1.8 **“Transferor Company”** means Lohia Metals Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at KRM Centre, 4th Floor, # 2, Harrington Road, Chetpet, Chennai 600 031.
- 1.9 **“Undertakings”** shall mean and include the whole of the undertakings of the Transferor Company, as a going concern, including their businesses, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, accreditations to trade and industrial bodies, copyrights, patents, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership flats, hire

purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, etc), Software Licences, Domain / Websites etc., in connection with or relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

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

2. SHARE CAPITAL

- 2.1. The Authorised Capital of the Transferor Company as on 31st March 2010 is Rs. 90,00,000/- divided into 9,00,000 Equity Shares of Rs. 10/- each. The issued, subscribed and paid-up capital of the Transferor Company as on 31st March 2010 is Rs. 90,00,000 /- divided into 9,00,000 Equity Shares of Rs. 10/- each.
- 2.2. The Authorised Capital of the Transferee Company as on 31st March 2010 is Rs. 11,50,00,000/- divided into 1,15,00,000 Equity Shares of Rs. 10/- each. The issued, subscribed and paid-up capital of the Transferor Company as on 31st March 2010 is Rs. 10,10,71,250 /- divided into 1,01,07,125 Equity Shares of Rs. 10/- each.

PART III – TRANSFER AND VESTING

3. TRANSFER OF UNDERTAKINGS

- 3.1 The Undertakings shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:
- (a) With effect from the Appointed Date, the whole of the Undertakings of the Transferor Company comprising their entire business, all assets and liabilities of whatsoever nature and wheresoever situated, including the immovable properties, if any, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b), (c) and (d) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the Undertakings of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the vesting order passed under Sections 391 to 394 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Company in accordance with the provisions of Sections 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

- (b) All movable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company.
- (c) In respect of movables other than those specified in sub-clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating third parties shall, to the extent possible, be followed:
 - (i) The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor, loanee or deposittee as the case may be, that pursuant to the Court having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the respective Transferor Company to recover or realise the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;
 - (ii) The Transferor Company shall also give notice in such form as it may deem fit and proper to each person, debtor, loanee or deposittee that pursuant to the Court having sanctioned the Scheme the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realise the same stands extinguished.
- (d) In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, the respective Transferor Company and the Transferee Company will execute necessary documents, as and when required.
- (e) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Section 391 read with Section 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause. However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company are a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.
- (f) The transfer and vesting of the Undertakings of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the respective Transferor Company.

Provided however that any reference in any security documents or arrangements (to which any

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

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

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

- (g) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licences (including software licences), accreditations to trade and industrial bodies, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible, or having effect immediately before the Effective Date, shall be, and remain in, full force and effect in favour of the Transferee Company, and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary thereto.
- (h) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.
- (i) Loans or other obligations, if any, due between or amongst the Transferor Company or between or amongst any Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by any Transferor Company, and held by the Transferee Company and vice versa or issued inter se amongst the Transferor Company are concerned, the same shall, unless sold or transferred by the said Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.
- (j) The Transferor Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of immovable property, if any, is given to the Transferee Company.
- (k) Where any of the liabilities and obligations/assets attributed to the Transferor Company on the Appointed Date has been discharged / sold by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company.

- (l) From the Effective Date and till such time that the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.
- (m) With effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking of the Transferor Company and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or obligee thereto.
- (n) With effect from the Appointed Date, any statutory licenses, permissions, approvals and/or consents, including but not limited to mining leases/licences, held by the Transferor Company required to carry on operations shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in, and become available to, the Transferee Company pursuant to the Scheme coming into effect.
- (o) The entitlement to various benefits under incentive schemes and policies in relation to the Undertaking of the Transferor Company shall stand transferred to, and be vested in, and/or be deemed to have been transferred to, and vested in, the Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and other incentives in relation to the Undertaking of the Transferor Company to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Company.
- (p) Since each of the permissions, approvals, consents, sanctions, remissions (including remittance under income-tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs), special reservations, sales tax remissions, holidays, incentives, concessions and other authorizations relating to the Undertaking of the Transferor Company, shall stand transferred under this Scheme to the Transferee Company, the Transferee Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

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

- 4.2 As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.
- 4.3 The Transferee Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company are a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.
- 4.4 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company are a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

5. LEGAL PROCEEDINGS

- 5.1 All suits, actions and proceedings of whatsoever nature by or against the Transferor Company on the Appointed Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Company, as the case may be.
- 5.2 If proceedings are taken against any Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till Effective Date, and the latter shall reimburse and indemnify such Transferor Company, against all liabilities and obligations incurred by the said Transferor Company in respect thereof.

6. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

- 6.1 All the executives, staff, workmen, and other employees in the service of the Transferor Company, immediately before the Appointed Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:
- a) Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947;
 - b) The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
 - c) In the event of retrenchment of such staff, workmen, or other employees, the Transferee

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

- d) It is provided that as far as the Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to the employees of the Transferee Company and existing in the Transferee Company for the benefit of the staff, workmen and other employees of the Transferee Company shall also be extended to the employees of the Transferor Company upon the Scheme becoming finally effective. The said benefits shall be extended to the employees of the Transferor Company even if such benefits were not available to the employees during their tenure in the Transferor Company, by virtue of non applicability of the relevant provisions to the Transferor Company. Notwithstanding what is stated herein above in respect of applicability of Employees Provident Fund to the employees of Transferor Company with retrospective effect from a date to be determined by the Board of Directors of Transferee company the extension of benefit to the employees of Transferor Company shall be subject to the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the approvals of the authorities concerned for giving effect to the implementation date. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations, in whatsoever nature, that are available to the employees of the Transferee Company shall also be available to all the employees of the Transferor Company in relation to Provident Fund, Gratuity and Pension and/ or Superannuation Fund or any other special fund, however subject to the provisions of the relevant and applicable statutes.

7. SAVING OF CONCLUDED TRANSACTIONS

- 7.1 The transfer of Undertakings under Clause 3 above, the continuance of the effectiveness of contracts and deeds under Clause 4 above and legal proceedings by or against the Transferee Company under Clause 5 above and shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

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

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

- 8.1 The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- 8.2 All profits or income or taxes, including but not limited to income tax, fringe benefit tax, advance taxes, tax deducted at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, etc, accruing or arising to the Transferor Company, or losses arising or expenditure incurred by them, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.
- 8.3 The Transferor Company shall carry on its business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any of the business undertaking or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).

- 8.4 The Transferee Company shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require in relation to the Undertaking of the Transferor Company including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Transferee Company.
- 8.5 The Transferor Company shall not declare any dividend, between the Appointed Date and the Effective Date, without the prior written consent of the Transferee Company.
- 8.6 The Transferor Company shall not make any modification to its capital structure, either by an increase (by issue of rights shares, bonus shares, convertible Debentures or otherwise), decrease, reclassification, sub-division or re-organisation or in any other manner, whatsoever, except by mutual consent of the Boards of Directors of the Transferor Company and of the Transferee Company.
- 8.7 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.

9. AUTHORISED SHARE CAPITAL

- 9.1 Upon the Scheme becoming fully effective, the authorised share capital of the Transferor Company shall stand combined with the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on their respective authorised share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorised share capital.
- 9.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 94 and 97 and other applicable provisions of the Act by deleting the existing Clause and replacing it by the following:
- “V. The Authorised Share Capital of the Company shall be Rs. 12,40,00,000 divided into 1,24,00,000 equity shares of Rs.10/- (Ten) each with the rights, privileges and conditions in attaching thereto as are provided by the regulations of the Company for the time being with powers to increase or reduce the Capital for the time being into several classes, and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company to vary, modify or abrogate, any such rights, privileges or conditions in such manner as may for the time being provided for by the regulations of the Company.”
- 9.3 The approval of this Scheme under Sections 391 and 394 of the Act shall be deemed to have the approval under sections 16, 94, 97 and other applicable provisions of the Act and any other consents and approvals required in this regard.

10. CONSIDERATION

- 10.1 Upon this Scheme coming into effect, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further act, application or deed, issue and allot to every member of

the Transferor Company, holding fully paid-up Equity Share(s) in the Transferor Company and whose names appear in the Register of Members of the Transferor Company on the Record Date, his/ her heirs, executors, administrators or the successors-in-title, as the case may be **2.5** (two and half) Equity Shares of the face value of Rs. 10/- each of the Transferee Company (hereinafter collectively called the "New Equity Shares") credited as fully paid-up in respect of every **1**(one) Equity Shares of face value of Rs. 10/- each fully paid up held by him/ her/ it in Transferor Company.

- 10.2 The Board of Directors of the Transferee Company shall consolidate all fractional entitlements arising due to the issue of Equity Shares in terms of Clause 10.1 above to Equity shareholders of the Transferor Company and thereupon issue and allot
- 10.3 Equity Shares in lieu of such fractional entitlements to a Director or an Officer of the Transferee Company, who shall hold such Shares on behalf of the shareholders entitled to such fractional entitlements with the express understanding that such Director/ Officer shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit. The said Director/ Officer shall distribute such net sale proceeds to the shareholders in the same proportion as their respective fractional entitlements bear to the consolidated fractional entitlements. The same procedure shall also be adopted with respect to the shares of Transferor Company held by shareholders holding less than 10 shares.
- 10.4 In so far as any shares issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by the Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect.
- 10.5 Each member of the Transferor Company holding Equity shares in the said company shall have the option, to be exercised by way of giving a notice to the Transferee Company on or before the Record Date, to receive the New Equity Shares of the Transferee Company in dematerialised form. In the event that such notice has not been received by the Transferee Company in respect of any member, the Equity Shares of the Transferee Company shall be issued to such members in physical form. Upon the New Equity Shares being issued and allotted, as aforesaid by the Transferee Company, the Equity Shares issued by the
- 10.6 Transferor Company and held by their shareholders, shall be deemed to have been automatically cancelled and of no effect.
- 10.7 The New Equity Shares to be issued and allotted by the Transferee Company as aforesaid in terms of this Scheme shall rank pari passu in all respects with the existing Equity Shares of the Transferee Company but shall not rank for dividend for the period prior to the date of their allotment.
- 10.8 For the purpose aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain any approvals including that of Reserve Bank of India, applicable stock exchanges and other concerned regulatory authorities for the issue and allotment by the Transferee Company of New Equity Shares to the members of the Transferor Company pursuant to the Scheme.
- 10.9 The New Equity Shares of the Transferee Company issued in terms of Clause 10.1 above shall, subject to payment of the appropriate fee and approval of the respective stock exchange(s), be listed on recognised stock exchange(s) in India, where the shares of the Transferee Company are already listed.
- 10.10 The issue and allotment of new equity shares in the Transferee Company to the members of the Transferor Company as provided in this Scheme shall be deemed to have been carried out in compliance with the procedure laid down under Section 81(1A) and other applicable provisions,

if any, of the Act and the Transferee Company shall not be required to obtain any further approvals in this regard.

11. ACCOUNTING TREATMENT

- 11.1 The Transferee Company shall, upon the Scheme coming into effect, record the assets and liabilities including provisions of the Transferor Company vested in it pursuant to this Scheme at the respective book values thereof and in the same form as appearing in the books of the Transferor Company at the close of business of the day immediately preceding the Appointed Date.
- 11.2 The Transferee Company shall record the Reserves of the Transferor Company in the same form and at the same values as they appear in the financial statements of the Transferor Company at the close of business of the day immediately preceding the Appointed Date. Balances in the Profit and Loss Account of the Transferor Company shall be similarly aggregated with the balances in Profit and Loss Account of the Transferee Company. Balances shown as Miscellaneous Expenditure (to the extent not written off or adjusted), if any, in the balance sheet of the Transferor Company shall be similarly aggregated with balances of the Transferee Company. Balances in the Deferred Tax Account of the Transferor Company shall be recorded by the Transferee Company in the same form as they appear in the books of the Transferor Company.
- 11.3 The excess of, or deficit in, the value of the assets over the value of the liabilities of the Transferor Company vested in the Transferee Company pursuant to this Scheme as recorded in the books of account of the Transferee Company shall, after adjusting the aggregate face value of the shares issued by the Transferee Company to the members of the Transferor Company pursuant to this Scheme and the amounts recorded in terms of Clause 11.2 above, be adjusted in/ credited to the Reserves in the books of the Transferee Company.
- 11.4 In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy. Provided however that insofar as the depreciation policy relating to the assets of the Transferor Company are concerned, the Board of Directors of the Transferee Company may either follow the policy adopted by the Transferor Company or the Transferee Company and make appropriate disclosure of the same in the financial statements.
- 11.5 To the extent there are inter-corporate loans, obligations or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

12. CONSEQUENTIAL MATTERS RELATING TO TAX

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

amongst any Transferor Company and the Transferee Company or inter se amongst the Transferor Company.

Provided further that upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Certificates, including TDS Certificates relating to transactions between or amongst any Transferor Company and the Transferee Company or inter se amongst the Transferor Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

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

12.3 In accordance with the Tamil Nadu Value Added Tax Act, 2006, as are prevalent on the Effective Date, the unutilized credits, if any, relating to VAT paid on inputs/capital goods lying in the accounts of the undertakings of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Companies shall accordingly be entitled to set off all such unutilized credits against the VAT/ CST payable by it.

PART IV – GENERAL TERMS AND CONDITIONS

13. APPLICATION TO COURT

13.1. The Transferor Company shall, with reasonable despatch, apply to the Court for necessary orders or directions for holding meetings of the members of the Transferor Company for sanctioning this Scheme of Amalgamation under Section 391 of the Act or for dispensing the holding of such meetings and orders under Section 394 of the Act, for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up. The Transferee Company shall apply to the Court for necessary orders or directions for holding meeting of the members of the Transferee Company for sanctioning this Scheme of Amalgamation under Section 391 of the Act, for carrying this Scheme into effect.

14. DISSOLUTION OF TRANSFEROR COMPANY

14.1 Subject to an order being made by the Court under Section 394 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

15. MODIFICATIONS / AMENDMENTS TO THE SCHEME

15.1 The Transferor Company and the Transferee Company through their respective Boards of Directors including Committees of Directors or other persons, duly authorised by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the Court or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without process of winding up as they may consider necessary, to settle any doubt, question or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and

things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this scheme into effect.

- 15.2 If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any Part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part or provision.

16. DATE OF TAKING EFFECT

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

17. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to -

- 17.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- 17.2 The approval of and agreement to the scheme by the requisite majority of such classes of persons of the Transferor Company and the Transferee Company as may be directed by the Court on the applications made for directions under Section 391 of the Act for calling meetings or for dispensing with their holding.
- 17.3 The sanction by the Court under Sections 391 and 394 and other applicable provisions of the Act being obtained by the Transferor Company and the Transferee Company.
- 17.4 The filing with the Registrar of Companies, Chennai of certified copies of all necessary orders, sanctions and approvals mentioned above by the respective Company.

18. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- 18.1 In the event of the Scheme not being sanctioned by the Court and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

19. EXPENSES CONNECTED WITH THE SCHEME

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

Disclosures to the Shareholders for mergers through Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 as prescribed by Securities and Exchange Board of India.

Sl. No.	Details of the Companies	Pondy Oxides And Chemicals Limited [Transferee Company]			Lohia Metals Private Limited [Transferor Company]		
1.	Names and Registered Office of the Companies	Pondy Oxides And Chemicals Limited KRM Centre, 4 th Floor, No 2, Harrington Road, Chetpet, Chennai-600031.			Lohia Metals Private Limited KRM Centre, 4 th Floor, No 2, Harrington Road, Chetpet, Chennai-600031.		
2.	The extent to / manner in which the companies are related to each other	Transferee Company is holding 51% of the equity share capital of Transferor Company.			Transferor Company is a Subsidiary of the Transferee Company		
3.	Capital Structure of the Companies as on 31 st July 2011.	AUTHORISED CAPITAL: 1,15,00,000 Equity shares of Rs. 10/- each ISSUED, SUBSCRIBED AND PAID UP CAPITAL: 1,01,07,125 Equity Shares of Rs. 10/- each	(in Rs) 11,50,00,000 10,10,71,250		AUTHORISED CAPITAL: 9,00,000 Equity Shares of Rs 10/- each ISSUED, SUBSCRIBED AND PAID UP CAPITAL: 9,00,000 Equity Shares of Rs 10/- each	(in Rs) 90,00,000 90,00,000	
4.	Shareholding pattern clearly indicating the shares held by the promoters and by persons other than promoters (As on 31 st July 2011)	CATEGORY Promoters Body Corporate Indian Public NRI/ Foreign National TOTAL	NO OF SHARES 3960063 790568 5296436 60058 10107125	PERCENTAGE 39.18 7.83 52.40 0.59 100%	CATEGORY Promoters Body Corporate Indian Public NRI/ Foreign National TOTAL	NO OF SHARES 434050 459000 6950 - 900000	PERCENTAGE 48.23 51.00 0.77 - 100%
5.	Line of Business	Metal, Metallic Oxides , Plastic Additives and Zinc Products			Lead Metals and Lead Alloys		
6.	Dates of Agreement, if any, with the other companies, which are parties to the scheme of arrangement.	No Agreement has been entered between parties to the scheme			No Agreement has been entered between parties to the scheme		
7.	Names and profile of the promoters and Directors viz., age, educational qualifications, experience, personal addresses etc. of the companies.	Brief Profile of Directors is as per Annexure I			Brief Profile of Directors is as per Annexure II		
8.	Names of Subsidiary/ Group Companies and Companies with which the promoters of the resultant company are associated	Subsidiary Company Lohia Metals Private Limited POCL Enterprises Limited	Group/ Associate Companies NIL		Subsidiary Company NIL	Group/ Associate Companies NIL	

Pondy Oxides and Chemicals Limited

Sl. No.	Details of the Companies	Pondy Oxides And Chemicals Limited [Transferee Company]		Lohia Metals Private Limited [Transferor Company]
9.	Indicate whether there would be a change in control in the resultant company vis-à-vis the issuing company.	There would not be a change in the control in the resultant company vis-à-vis the issuing company.		Post merger, the Transferor Company would stand dissolved
10.	Capital structure and shareholding pattern, after (of issuing company) the proposed scheme of arrangement, and the management's views on the change in the public holding on how it would affect the shareholders at large.	AUTHORISED CAPITAL: 1,24,00,000 Equity Shares of Rs. 10/- each ISSUED, SUBSCRIBED AND PAID UP: 1,11,51,985 Equity shares of Rs. 10/- each	(in Rs) 12,40,00,000 11,15,19,850	Post merger, the Transferor Company would stand dissolved
11.	Audited financial statement of the companies for the last three years as per the format given in clause 41 of Listing Agreement in case of transferor & transferee company	As per Annexure III		As per Annexure IV
12.	Basis of valuation	Weighted Average of Break-up value Method , Earnings Method, Yield Method and Market price of the shares		Weighted Average of Break-up Value method and Earnings Method.
13.	Nature of Consideration if any, payable/ receivable under the scheme	2.5 shares of Rs. 10/- each of the Transferee Company for every one share of Rs. 10/- each of the Transferor company.		Not Applicable since Merging with the Holding Company
14.	Mode of payment / Receipt	1102500 shares will be allotted by the transferee Company to the shareholders of transferor Company other than the holding of the transferee Company.		1102500 shares will be allotted to the transferor Company's shareholders other than the holding of the transferee Company.
15.	Manner of surrender/ receipt of shares or securities	Not applicable		The shareholders of the Transferor Company will be required to submit the share certificates at the registered office of the Transferee Company, in lieu of which shares of the Transferee Company would be allotted in accordance with the Scheme.
16.	The time schedule within which the shares / securities are to be surrendered / received and payments to be made / received.	After the approval of the Honorable High Court Of Madras		After the approval of the Honorable High Court Of Madras

Sl. No.	Details of the Companies	Pondy Oxides And Chemicals Limited [Transferee Company]	Lohia Metals Private Limited [Transferor Company]
17.	Tentative date by which the scheme would become effective under the provisions of the Companies Act etc.	1st April, 2012	1st April, 2012
18.	Details of approvals obtained/to be obtained/ sought from creditors, authorities like stock exchanges / authorities under the Companies Act etc.	a. No Objection Letter has been obtained from Bombay Stock Exchange and Madras Stock Exchange, letter dated 11 th May 2011 and 3 rd May 2011 respectively, as per Clause 24(f) of the listing agreement. b. Approval of Equity shareholders of the Company to be obtained. c. Approval of Hon'ble High Court of Jurisdiction at Madras to be obtained for the scheme.	a. Approval of the Equity shareholders of the Company to be obtained. b. Approval of Hon'ble High Court of Jurisdiction at Madras to be obtained for the scheme
19.	Details of Board Meeting when the proposal was considered/ approved.	18 th March 2011	18 th March 2011
20.	Any other details which deemed necessary for information to shareholders enabling them to make an informed decision about the proposed Scheme, including those required under Section 393 of the Companies Act, 1956	NIL	NIL

**ANNEXURE I- BRIEF PROFILE OF DIRECTORS OF PONDY OXIDES AND CHEMICALS LIMITED
(TRANSFeree COMPANY) AS ON 31.05.2011**

1. **SHRI. ASHISH BANSAL ,**
AGE: 30 Years,
QUALIFICATION: M.B.A,
EXPERIENCE: 6 Years
ADDRESS: L-136, Anna Nagar East, Chennai 600 102.

Directorship in other companies	Position held	Committee / Membership
LOHIA METALS PRIVATE LIMITED	WHOLE-TIME DIRECTOR	NIL
PONDY OXIDES AND CHEMICALS LIMITED	NON EXECUTIVE DIRECTOR	NIL

2. **SHRI. SUDHIR KUMAR GUPTA,**
AGE: 63 Years,
QUALIFICATION: ACA,
EXPERIENCE: 15 Years,
ADDRESS: 2/1, Sivaselam Street, Marg Ashirwath, Chennai 600 017.

Directorship in other companies	Position held	Committee/ Membership
PONDY OXIDES AND CHEMICALS LIMITED	NON EXECUTIVE DIRECTOR	3
GYPCRETE BUILDING INDIA PVT LIMITED	MANAGING DIRECTOR	NIL

3. **SHRI. ANIL KUMAR BANSAL,**
AGE: 57 Years,
QUALIFICATION: B.Sc- Specialised in production and R&D areas of Plastic Additives and Metals
EXPERIENCE: 30 Years,
ADDRESS: L-136, Anna NAGAR East, Chennai 600 102.

Directorship in other companies	Position held	Committee/ Membership
PONDY OXIDES AND CHEMICALS LIMITED	MANAGING DIRECTOR	1
POCL ENTERPRISES LIMITED	DIRECTOR	NIL

4. **SHRI. ANIL KUMAR SACHDEV,**
AGE: 57 Years,
QUALIFICATION: M.B.A- Finance,
EXPERIENCE: 15 Years,
ADDRESS: 16, IV Lane, NH Road, Chennai 600 034.

Directorship in other companies	Position held	Committee / Membership
PONDY OXIDES AND CHEMICALS LIMITED	NON EXECUTIVE DIRECTOR	3
HORIZON PAPER BOX PRIVATE LIMITED	DIRECTOR	NIL

5. **SHRI. DEEPAMBALPURAM PANCHAPAGESAN VENKATARAMAN**
AGE: 75 Years,
QUALIFICATION: Bsc, CAIIB,
EXPERIENCE: 35 Years,
ADDRESS: AK39, 11th Main Road, Anna Nagar, Chennai 600 040.

Directorship in other companies	Position held	Committee / Membership
PONDY OXIDES AND CHEMICALS LIMITED	VICE CHAIRMAN- NON EXECUTIVE DIRECTOR	3
SRI NANDAA SPINNERS LIMITED	DIRECTOR	NIL

6. **SHRI. DEVIKAR BANSAL,**
AGE: 51 Years,
QUALIFICATION: B.Sc,
EXPERIENCE: 24 Years
ADDRESS: Velmurugan Nagar, II main Cross, Sathya Nagar Extn, Pondicherry 605 013.

Directorship in other companies	Position held	Committee / Membership
PONDY OXIDES AND CHEMICALS LIMITED	WHOLE-TIME DIRECTOR	NIL
ARDEE INDUSTRIES PRIVATE LIMITED	MANAGING DIRECTOR	NIL

7. **SHRI. HARISH KUMAR LOHIA,**
AGE: 53 Years,
QUALIFICATION: B.Com,
EXPERIENCE: 14 Years
ADDRESS: Block Ai-92, A, 9th Main Road, Flat No 9, Trump Castle Apartments, Anna Nagar, Chennai 600 040.

Directorship in other companies	Position held	Committee / Membership
PONDY OXIDES AND CHEMICALS LIMITED	NON EXECUTIVE INDEPENDENT DIRECTOR	1

8. **SHRI. PADAM CHANDRA BANSAL,**
AGE: 64 Years,
QUALIFICATION: M.Sc, Phd- Specialised in sustained release in drugs and chemicals,
EXPERIENCE: 35 Years,
ADDRESS: 9, Powelson Lane Bridge Water, New Jersey 088807, USA.

Directorship in other companies	Position held	Committee / Membership
PONDY OXIDES AND CHEMICALS LIMITED	CHAIRMAN- NON EXECUTIVE DIRECTOR	NIL

9. **SHRI. RAJENDRA PRASAD BANSAL,**
AGE: 64 Years,
QUALIFICATION: Under Graduate,
EXPERIENCE: 35 Years,
ADDRESS: Villa No c-1 & c-2, Tirupati Towers, Co-Operative Housing Society Ltd, Thakur Complex, Kandivli (East), Mumbai 400 101.

Directorship in other companies	Position held	Committee / Membership
PONDY OXIDES AND CHEMICALS LIMITED	WHOLE-TIME DIRECTOR	NIL

10. **SHRI. PERUNDURAI NACHIMUTHU SRIDHARAN,**
AGE: 42 Years,
QUALIFICATION:M.A Public Admin
EXPERIENCE: 10 Years,
ADDRESS: Flat No 12B, Sonex Supriya, No 26, Panneer Nagar, Mogappair West, Chennai 600 058.

Directorship in other companies	Position held	Committee / Membership
PONDY OXIDES AND CHEMICALS LIMITED	NON EXECUTIVE DIRECTOR	NIL
MONAA METALAGE INDIA PRIVATE LIMITED	MANAGING DIRECTOR	NIL
SAI VARSHAA STRUCTURES PRIVATE LIMITED	MANAGING DIRECTOR	NIL

Pondy Oxides and Chemicals Limited

11. SHRI. SUNIL KUMAR BANSAL,

AGE: 52 Years,

QUALIFICATION: B.Com,

EXPERIENCE: 25 Years,

ADDRESS: Villa 3, Lotus Lawn, No 4 & 5, Kilpauk Garden, First Street, Kilpauk, Chennai 600 010.

Directorship in other companies	Position held	Committee / Membership
PONDY OXIDES AND CHEMICALS LIMITED	WHOLE-TIME DIRECTOR	1
POCL ENTERPRISES LIMITED	DIRECTOR	NIL
LOHIA METALS PRIVATE LIMITED	MANAGING DIRECTOR	NIL

12. SHRI. YERRAMILI VENKAT RAMAN,

AGE: 58 Years,

QUALIFICATION: B.Sc-Specialised in marketing

EXPERIENCE: 15 Years,

ADDRESS:15, Shanmugam Street, Royapettah, Chennai 600 014.

Directorship in other companies	Position held	Committee / Membership
PONDY OXIDES AND CHEMICALS LIMITED	WHOLE-TIME DIRECTOR	NIL

ANNEXURE II- BRIEF PROFILE OF DIRECTORS OF LOHIA METALS PRIVATE LIMITED (TRANSFEROR COMPANY) AS ON 31.05.2011

1. SHRI. SUNIL KUMAR BANSAL,

AGE: 52 Years,

QUALIFICATION: B.Com,

EXPERIENCE: 25 Years,

ADDRESS: Villa 3, Lotus Lawn, No 4 & 5, Kilpauk Garden, First Street, Kilpauk, Chennai 600 010.

Directorship in other companies	Position held	Committee / Membership
PONDY OXIDES AND CHEMICALS LIMITED	WHOLE-TIME DIRECTOR	1
POCL ENTERPRISES LIMITED	DIRECTOR	NIL
LOHIA METALS PVT LIMITED	MANAGING DIRECTOR	NIL

2. SHRI. KRISHNAMURTHY KUMARAVEL

AGE: 48 Years,

QUALIFICATION: M.Com, ACS, ACWA,

EXPERIENCE: 16 Years,

ADDRESS: SM Flats, 6C/3, Anjugam Nagar, III Street, Ashok Nagar, Chennai 600 083.

Directorship in other companies	Position held	Committee / Membership
LOHIA METALS PRIVATE LIMITED	DIRECTOR	NIL
POCL ENTERPRISES LIMITED	DIRECTOR	NIL
ARDEE INDUSTRIES PVT LIMITED	DIRECTOR	NIL

3. SHRI. ASHISH BANSAL,

AGE: 30 Years,

QUALIFICATION: M.B.A,

EXPERIENCE: 6 Years

ADDRESS: L-136, Anna NAGAR East, Chennai 600 102.

Directorship in other companies	Position held	Committee / Membership
PONDY OXIDES AND CHEMICALS LIMITED	NON EXECUTIVE DIRECTOR	NIL
LOHIA METALS PRIVATE LIMITED	DIRECTOR	NIL

ANNEXURE III- AUDITED FINANCIAL STATEMENT OF PONDY OXIDES AND CHEMICALS LIMITED (TRANSFeree COMPANY) FOR THE YEAR ENDED 31.03.2010

AUDITED FINANCIAL RESULTS FOR THREE YEARS ENDED 31ST MARCH 2010,2009 AND 2008

Rs. In Lakhs

Sl.No.	Particulars	Year Ended		
		31-Mar-10	31-Mar-09 Audited	31-Mar-08
1	Net Sales/Income from Operations	14787.06	10782.92	13497.67
2	Other Operating Income	160.14	63.87	22.51
3	Total Income (1+2)	14947.20	10846.79	13520.18
4	Expenditure			
a.	Increase / decrease in stock in trade and work in progress	(969.44)	24.45	(165.79)
b.	Consumption of raw materials	12024.71	8843.62	10318.97
c.	Purchase of traded goods	490.18	276.96	281.10
d.	Employees cost	373.39	328.17	267.28
e.	Depreciation	158.83	159.66	148.23
f.	Other expenditure	1758.34	1183.57	1530.78
g.	Total	13836.01	10816.43	12380.57
5	Profit from operations before Other Income, Interest and Exceptional Items(3-4)	1111.19	30.36	1139.61
6	Other Income	86.99	84.58	42.07
7	Profit before Interest and Exceptional Items (5+6)	1198.18	114.94	1181.68
8	Interest	456.63	374.26	405.26
9	Profit after Interest but before Exceptional Items (7-8)	741.55	(259.32)	776.42
10	Exceptional items	-	-	-
11	Profit (+) / Loss (-) from Ordinary Activities before tax (9+10)	741.55	(259.32)	776.42
12	Tax expense			
	Current Tax	173.25	46.07	278.58
	Deferred Tax	(8.41)	0.31	6.69
13	Net Profit (+)/ Loss(-) from Ordinary Activities after tax (11-12)	576.71	(305.70)	491.15
14	Extra ordinary Item (net of tax expenses)	-	186.64	-
15	Net Profit (+)/ Loss(-) for the period (13-14)	576.71	(119.06)	491.15
16	Paid-up equity share capital (Face Value of the Share Rs. 10/-)	1010.71	1010.71	1010.71
17	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	1525.49	1155.10	901.00
18	Earnings per Share (EPS)(not annualised)			
a)	Basic EPS	5.71	(1.18)	4.86
b)	Diluted EPS	5.71	(1.18)	4.86

**ANNEXURE IV- AUDITED FINANCIAL STATEMENT OF LOHIA METALS PRIVATE LIMITED
(TRANSFEROR COMPANY) FOR YEAR ENDED 31.03.2010**

AUDITED FINANCIAL RESULTS FOR THREE YEARS ENDED 31ST MARCH 2010, 2009 AND 2008

Rs. In Lakhs

Sl.No.	Particulars	Year Ended		
		31-Mar-10	31-Mar-09 Audited	31-Mar-08
1	Net Sales/Income from Operations	9335.64	7890.06	4996.30
2	Other Operating Income	-	2.99	-
3	Total Income (1+2)	9335.64	7893.05	4996.30
4	Expenditure			
a.	Increase / decrease in stock in trade and work in progress	(54.65)	21.66	(26.36)
b.	Consumption of raw materials	7324.04	6760.41	3973.65
c.	Purchase of traded goods	777.82	1170.24	488.06
d.	Employees cost	38.36	27.21	22.68
e.	Depreciation	16.60	14.64	11.79
f.	Other expenditure	262.32	324.49	224.16
g.	Total	8364.49	8318.65	4693.98
5	Profit from operations before Other Income, Interest and Exceptional Items(3-4)	971.15	(425.60)	302.32
6	Other Income	28.31	31.79	84.46
7	Profit before Interest and Exceptional Items (5+6)	999.46	(393.81)	386.78
8	Interest	221.00	197.77	93.87
9	Profit after Interest but before Exceptional Items (7-8)	778.46	(591.58)	292.91
10	Exceptional items	-	-	-
11	Profit (+) / Loss (-) from Ordinary Activities before tax (9+10)	778.46	(591.58)	292.91
12	Tax expense			
	Current Tax	129.77	1.39	104.05
	Deferred Tax	0.22	0.66	0.62
13	Net Profit (+)/ Loss(-) from Ordinary Activities after tax (11-12)	648.47	(593.63)	188.24
14	Extra ordinary Item (net of tax expenses)	-	-	-
15	Net Profit (+)/ Loss(-) for the period (13-14)	648.47	(593.63)	188.24
16	Paid-up equity share capital (Face Value of the Share Rs. 10/-)	90.00	90.00	90.00
17	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	(260.00)	335.10	144.56
18	Earnings per Share (EPS)(not annualised)			
a)	Basic EPS	72.05	(65.96)	20.92
b)	Diluted EPS	72.05	(65.96)	20.92

IN THE HIGH COURT OF JUDICATURE AT MADRAS
(Ordinary Original Civil Jurisdiction)

COMPANY APPLICATION NO. 557 OF 2011

In the matter of the Companies Act, 1956 (1 of 1956)
And
In the matter of Sections 391 to 394 of the Companies Act, 1956
And
In the matter of Scheme of Amalgamation of Lohia Metals Private Limited with
Pondy Oxides And Chemicals Limited

Pondy Oxides And Chemicals Limited,
a Company incorporated under the Companies
Act, 1956 and having its Registered Office at
KRM Centre, 4th Floor,
#2 Harrington Road, Chetpet,
Chennai-600031. represented by
Mr. Anil Kumar Bansal,
Managing Director

...APPLICANT/
TRANSFEREE COMPANY

FORM OF PROXY

I/We, the undersigned Equity Shareholder(s) of Pondy Oxides And Chemicals Limited hereby appoint _____ of _____ and failing him/her _____ of _____ as my/our proxy to act for me / us on my /our behalf at the Court Convened Meeting of the Equity Shareholders of Pondy Oxides And Chemicals Limited to be held at Naradha Ghana Sabha (Mini Hall), 314 (Old No. 254), TTK Road, Chennai 600 018 on Saturday, the 24th day of September, 2011 at 11.45 A.M, for the purpose of considering and if thought fit, approving with or without modification(s), the amalgamation embodied in the Scheme of Amalgamation of Lohia Metals Private Limited with Pondy Oxides And Chemicals Limited at such meeting and at any adjournment or adjournments thereof to vote for me/us and in my/our name _____, (here, if 'for', insert 'for', if 'against' insert 'against', and in the latter case, strike out the words below after "Scheme of Amalgamation") the said amalgamation embodied in the Scheme of Amalgamation and the resolution, either with or without modification, as my/our proxy may approve.

[Strike out what is not necessary]

Dated this _____ day of _____ 2011

Name: _____
Address: _____ _____
Folio No./Client Id _____
D.P. Id _____
No. of Shares _____

Affix Re.1
Revenue
Stamp

Signature

- Note:**
1. All alterations made in the Form of Proxy should be initialed.
 2. Proxy, in order to be effective, to be deposited at the registered office of the Company at KRM Centre, 4th Floor #2 Harrington Road, Chetpet, Chennai-600031 not later than 48 hours before the meeting.

**ATTENDANCE SLIP****PONDY OXIDES AND CHEMICALS LIMITED**

Registered Office : KRM Centre, 4th Floor, #2 Harrington Road, Chetpet, Chennai-600031.

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Joint Shareholders may obtain additional Attendance Slip at the venue of the meeting.

DP ID*	
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Folio No.	
-----------	--

Client ID*	
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No. of Share(s) held	
----------------------	--

NAME AND ADDRESS OF THE EQUITY SHAREHOLDER / PROXY HOLDER

I hereby record my presence at the meeting of the Equity Shareholders of the Company convened pursuant to the Order dated 24th August, 2011 of the Hon'ble High Court of Judicature at Madras on Saturday, the 24th day of September, 2011 at 11.45 A.M. at Naradha Ghana Sabha (Mini Hall), 314 (Old No. 254), TTK Road, Chennai 600 018

SIGNATURE OF THE EQUITY SHAREHOLDER OR PROXY : _____

Notes :

1. *Applicable for investors holding shares in dematerialised form.
2. Shareholders who come to attend the meeting are requested to bring with them copy of the Scheme of Amalgamation.