

Date: 14th August, 2021

To,

Corporate Relationship Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 532370.

Scrip Code: 509048

Dear Sir/Madam,

Sub: Draft scheme of amalgamation.

Ref : Reg. 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In continuation to the Outcome of the Board Meeting dated 14th August, 2021, we wish to inform you that the draft scheme of amalgamation between Lancor Maintenance & Services Limited, a wholly owned subsidiary (transferor company) with Lancor Holdings Limited (transferee company) which has been approved by the Board of Director has been annexed to this letter.

Request you to kindly take the same on record as required under the provisions of the above captioned Regulation.

Thanking You,

Yours Faithfully,

For **LANCOR HOLDINGS LIMITED**


B.SANJEEV ANAND
COMPANY SECRETARY & COMPLIANCE OFFICER



Lancor Holdings Limited

VTN Square, 2nd Floor, No.58, (Old No.104) G.N. Chetty Road,
T. Nagar, Chennai - 600017 +91 44 28345880-83 | www.lancor.in
CIN:- L65921TN1985PLC049092 GSTIN:- 33AAACD2547C1ZA

**SCHEME OF AMALGAMATION
BETWEEN
LANCOR MAINTENANCE & SERVICES LIMITED
(TRANSFEROR COMPANY)**

AND

**LANCOR HOLDINGS LIMITED
(TRANSFeree COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS

(Under sections 233 and other applicable sections of the Companies Act, 2013 read with read with the relevant Rules, Notifications, Circulars and Orders issued under the Companies Act, 2013)

PREAMBLE

This Scheme of Amalgamation presented under Sections 233 of the Company Act, 2013 read with Rule 25 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other relevant provisions of the Company Act, 2013, as may be applicable, inter alia, amalgamation of Lancor Maintenance & Services Limited (Transferor Company), incorporated and registered under the Company Act 1956 with Lancor Holdings Limited (Transferee Company), incorporated and registered under the Company Act 1956. This Scheme also provides for various others matters consequential to or otherwise integrally connected herewith.

The Transferor Company is a wholly owned subsidiary of transferee Company hence, in consideration Transferee Company will not issue any shares under the scheme of Amalgamation. The Existing holding of transferee Company in transferor Company gets cancelled pursuant to the scheme of Amalgamation.

Though this Scheme is divided into parts for the purpose of convenience, it is to be implemented as a single inseparable comprehensive Scheme. This Scheme is divided into the following parts:

- 1.1 Part I deals with the Definitions and Share Capital;
- 1.2 Part II deals with the background and rationale of the Scheme;
- 1.3 Part III deals with the amalgamation of the Transferor Company into the Transferee Company;
- 1.4 Part IV deals with the General terms and conditions applicable to the Scheme.

PART I

1. DEFINITIONS:

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

- 1.1 "Act" or "the Act" means the Company Act 2013, as may be applicable, or any modifications or re-enactment thereof from time to time;
- 1.2 "Appointed Date" means 01st April, 2021 or such other date(s) as the Regional Director (Central Government), Southern Region, Chennai or such other competent authority may approve/fix;
- 1.3 "Effective Date" means the date on which the certified copies of the Order(s) of the Regional Director (Central Government), Southern Region, Chennai sanctioning the Scheme, are filed with the Registrar of Company.

Any references in the Scheme to the words "date of coming into effect of the Scheme" or "upon the Scheme becoming effective" or "Scheme coming into effect" shall mean the "Effective Date".

- 1.4 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation presented under section 233 of the Act. In its present form or with any modifications approved or directed by the Regional Director (Central Government), Southern Region, Chennai;
- 1.5 "Transferee Company" means Lancor Holdings Limited, Company incorporated and Registered under the provisions of Company Act 1956, having its registered office at Arihant VTN Square II Floor 58 G.N. Chetty Road, T-Nagar, Chennai- 600017, Tamil Nadu, India and
- 1.6 "Transferor Company" means Lancor Maintenance & Services Limited, a company incorporated and registered under the provisions of the Company Act, 1956 having its registered office at Arihant VTN Square II Floor 58 G.N. Chetty Road, T-Nagar, Chennai-600017, Tamil Nadu, India.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE:

The Scheme sets out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Regional Director (Central Government), Southern Region, Chennai shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. NATURE OF BUSINESS

3.1 Nature of Business of the Transferor Company

Transferor Company is an unlisted company, inter alia engaged in the business of Real Estate and in Particular purchase and sale of land and/or building and owning, buying, selling, Hiring, Letting, Sub-Letting, Maintaining, Leasing, Tenanting, Sub-Tenanting and Constructing, Re- Constructing, Extending, Altering or demolishing, Buildings or Tenements Blocks, Flats, Shops, godowns, Garages, Dwelling House, Markets, Factories, Industrial Estates, Hospitals, Nursing Homes and Other Contraction, Repair, Overall Maintenance of land and Building, to fix and Collect rent and to act as Construction Contractors, Building Contractors, Purchasers and Developers and to enter into Contracts and arrangements of all kind with Builders, Contractors and Others.

3.2 Nature of Business of the Transferee Company

The Transferee Company is inter alia, engaged in the business of property development, real estate, residential developments, commercial developments including construction of apartments, commercial establishments, shops, malls, theatres, interior works, premium, luxury and affordable houses, row type houses, Villas, townships, multi-storied complexes, commercial complexes, retirement homes, promoting layouts and sale of plots, buildings and owning, buying, selling, hiring, letting, sub-letting, maintaining, leasing, tenanting, sub-tenanting and constructing, reconstructing, extending, altering or demolishing, buildings or tenements block, flats, shops, godowns, garages, dwelling house, market, factories industrial estates, hospitals, colleges, senior citizen homes, nursing homes, sports complex, club and other construction and developments, repair, overall maintenance of land and buildings, to fix and collect rent and to act as construction contractors, building contractors, purchasers and developers and to enter into contracts and arrangements of all kinds with landowners, builders, developers, investors and contractors.

4. CAPITAL STRUCTURE

4.1 As on 31th March, 2021, the share capital of the Transferor Company was as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
Equity Shares	
10,00,000 Equity Shares of Rs. 10/- each.	1,00,00,000
Total	1,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
Equity Shares	
2,51,750 Equity Shares of Rs. 10/- each fully paid up.	25,17,500

Total	25,17,500
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4.2 As on 31st March, 2021, the share capital of the Transferee Company is as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
Equity Shares	
9,03,00,000 Equity Shares of Rs. 2/- each.	18,06,00,000
Total	18,06,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
Equity Shares	
4,05,00,000 Equity Shares of Rs.2/- each fully paid up	8,10,00,000
Total	8,10,00,000

Since the dates mentioned above, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company and the Transferee Company.

PART II

5. BACKGROUND AND RATIONALE FOR THE SCHEME

The background and circumstances which justify the said arrangement are, inter alia, as follows:

- 5.1 The Transferor Company is an wholly owned subsidiary of the Transferee Company.
- 5.2 The main business activity carried on by the Transferor Company is the activity of Real Estate and in Particular purchase and sale of land and/or building and owning, buying, selling, Hiring, Letting, Sub-Letting, Maintaining, Leasing, Tenanting, Sub-Tenanting and Constructing, Re- Constructing, Extending, Altering or demolishing, Buildings or Tenements Blocks, Flats, Shops, godowns, Garages, Dwelling House, Markets, Factories, Industrial Estates, Hospitals, Nursing Homes and Other Contraction, Repair, Overall Maintenance of land and Building, to fix and Collect rent and to act as Construction Contractors, Building Contractors, Purchasers and Developers and to enter into Contracts and arrangements of all kind with Builders, Contractors and Others. These activities carried out by the Transferor Company can even be carried on by the Transferee Company.
- 5.3 The proposed Scheme aims at unlocking a better value for the shareholders of the Transferor Company. As the entire undertaking of the Transferor Company shall be transferred to the Transferee Company, the rights and interests of the shareholders and/or the creditors of the Transferee Company shall not be affected, and the Scheme shall not be

prejudicial to the interest of the shareholders of the Transferor Company.

- 5.4 The proposed amalgamation will result in administrative and organizational efficiencies, reduction in overheads and other expenses and optimal utilization of resources. It will prevent cost duplication that can affect financial efficiencies of the holding structure and the resultant operations would be substantially cost-efficient. Consequently, the Transferee Company will offer a better financial structure and the resultant operations would be substantially cost-efficient. The Transferee Company will offer a strong financial structure to all creditors including the creditors of the Transferor Company and achieve better cash flows. The synergies created by the amalgamation. The synergies created by the amalgamation would increase operational efficiency and integrate business functions.
- 5.5 The creditors of the Transferor Company will not be affected by the Scheme since the assets of the Transferor Company and Transferee Company (taken together) are more than the liabilities of the Transferor Company and Transferee Company (taken together). Further even the creditors of the Transferee Company will not be affected by the Scheme since the assets of the Transferor Company are more than the liabilities of the Transferor Company. Further post the amalgamation, the assets of the Transferee Company shall be greater than its liabilities.

PART II

6. AMALGAMATION OF THE TRANSFEROR COMPANY INTO THE TRANSFEEE COMPANY

- 6.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Transferor Company shall stand amalgamated with the Transferee Company, as provided in the Scheme, and pursuant to the provisions of Sections 233 and other applicable provisions of the Act, all the assets, unbilled revenues, debts, outstanding, credits, liabilities, duties and obligations whatsoever concerning the Transferor Company as on the Appointed Date shall, accordingly; stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in the Transferee Company, as under.
- 6.1.1 In respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery, they shall be physically handed over by manual delivery or endorsement and delivery, the same may be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company to the end and intent that the ownership and property therein passes to the Transferee Company with effect from the Appointed Date on such handing over in pursuance of the provisions of Section 233 of the Act.
- 6.1.2 In respect of such of the assets belonging to the Transferor Company other than those referred to in sub-clause 6.1.1 above, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and / or be deemed to be

transferred to and stand vested in the Transferee Company pursuant to the provisions of Section 233 of the Act with effect from the Appointed Date.

- 6.1.3 In relation to the assets belonging to the Transferor Company, which require separate documents of transfer, the parties will execute the necessary documents, as and when required.
- 6.1.4 The transfer and vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, pledges, non-disposal undertakings, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/or encumbrances shall be confined only to the relative assets of the Transferor Company or part thereof on or over which they are subsisting on transfer to and vesting of such assets in the Transferee Company and no such charges, mortgages, and/or encumbrances shall be enlarged or extended over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company are parties) to any assets of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security thereof.
- 6.1.5 In respect of the debts, liabilities, duties and obligations of the Transferor Company, it is hereby clarified that it shall not be necessary to obtain the necessary consents, if any, of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen.
- 6.1.6 It is clarified that, upon coming into effect of the Scheme and without prejudice to the aforesaid, debentures and other instruments of like nature issued by the Transferor Company shall, pursuant to the provisions of the Act, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions if this Scheme and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested it and shall be exercised by or against the Transferee Company as if it was the issuer of the debentures and other instruments so transferred.
- 6.2 For the removal of doubt, it is clarified that to the extent that there are inter-company loans, deposits, obligations, balances or other outstanding as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of such assets or liabilities, as the case may be, and there would be no accrual of interest or any

other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

- 6.3 On and from the Effective Date, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.
- 6.4 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 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.
- 6.5 With effect from the Appointed Date, any statutory licenses, permissions, approvals and/or consents held by the Transferor Company as required to carry on its 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 upon the Scheme coming into effect.
- 6.6 All registrations, benefits, incentives, exemptions, etc. of any nature whatsoever, which the Transferor Company are eligible for and / or which are actually availed by the Transferor Company will be transferred to the Transferee Company upon the Transferee Company intimating the concerned authority or undertaking the necessary actions for the transfer and or the Board of Directors of the Transferee Company will be authorized to seek approval or enter into agreement with the concerned authority and /or undertake such other activity as is necessary for being eligible for such registrations, benefits, incentives, exemptions, etc. as were availed by the Transferor Company.

7. COMPLIANCE WITH TAX LAWS

- 7.1 The provisions of this Scheme, as they relate to amalgamation of the Transferor Company into the Transferee Company, have been drawn up to comply with the conditions relating

to "amalgamation" as defined under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply, with Section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

- 7.2 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, credit for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and / or set off of all amounts paid by the Transferor Company or the Transferee Company under the relevant tax laws (including the Income Tax Act, 1961, or any other tax), as may be required consequent to the implementation of-the Scheme.
- 7.3 As and from the Effective Date, all tax' proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 7.4 Further, all tax proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 7.5 Upon the Scheme becoming effective, any tax liabilities under the Income-tax Act, 1961 and / or other applicable laws / regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Company to the extent not provided for or, covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties / levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred or to the account of the Transferee Company.
- 7.6 Upon the Scheme becoming effective, any refund under the Income-tax Act, 1961, and/or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 7.7 Upon the Scheme becoming effective, all taxes paid or payable by the Transferor Company in respect of the operations and / or the profits of the business before the Appointed Date,

shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax,) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

- 7.8 Upon the Scheme becoming effective, further, any tax deducted at source by the Transferor Company / Transferee Company on transactions with the Transferee Company / Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.9 Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by the Transferor Company shall be made or deemed to be made and duly complied with the Transferee Company.
- 7.10 Upon the Scheme coming into effect, without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax, unabsorbed depreciation, credits (including, without limitation income tax, minimum alternative tax whether recognized or not, tax deducted at source etc.) to which the Transferor Company are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon the Scheme coming into effect.
- 7.11 Upon the coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

8. LEGAL PROCEEDINGS

If any suits, actions and proceedings of whatsoever nature (hereinafter referred to as the "Proceedings") by or against the Transferor Company are pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.

9. CONTRACTS AND DEEDS

- 9.1 All contracts, deeds, bonds, agreements, arrangements, incentives, licenses, engagements, approvals and registrations and other instruments of whatsoever nature to which the Transferor Company are parties or to the benefit of which the Transferor Company may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- 9.2 The Transferee Company shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of this clause and to the extent that the Transferor Company are required, prior to the Effective Date, to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company.

10. SAVING OF CONCLUDED TRANSACTIONS

The transfer of the assets and liabilities of the Transferor Company under clause 6 above, the continuance of Proceedings under clause 8 above and the effectiveness of contracts and deeds under clause 9 above, shall not affect any transaction or Proceedings already concluded by the Transferor Company on or before 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 if done and executed on its behalf.

11. EMPLOYEES

- 11.1 All the employees of the Transferor Company in service on the Effective Date shall, on and from the Effective Date, become employees of the Transferee Company with the benefit of continuity of service on terms and conditions not less favorable than as were applicable to such employees of the Transferor Company on the Effective Date and without any break or interruption of service. The Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by the Transferor Company with any of its employee(s) / union.
- 11.2 With regard to Provident Fund, Gratuity Fund, Superannuation fund or any other special fund or obligation created or existing for the benefit of such employees (hereinafter referred to as "said Funds") of the Transferor Company, on the Effective Date, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the obligation to make contributions to the said Funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The said Funds, if any, created by the Transferor Company for their employees shall, on and from the Effective Date, be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, the Transferee Company will make the necessary contributions for such transferred employees of the Transferor Company and deposit the same in the provident fund, gratuity fund or superannuation

fund or obligations, where applicable. In the event that trustees are constituted as holders of any securities, trust funds or trust monies, in relation to any provident fund trust, gratuity trust, superannuation trust, welfare trust, or any other such trust existing for the benefit of the employees of the respective Transferor Company, such funds shall be transferred by such trustees of the trusts of the Transferor Company, to separate trusts and the trustees of the Transferee Company, if set up for the same purpose and object and shall be deemed to be a transfer of trust property from one set of trustees to another set of trustees in accordance with the provisions of the relevant labour laws, Indian Trusts Act, 1882, the Income Tax Act, 1961 and relevant stamp legislations, as applicable. In such a case, appropriate deeds of trusts and/or documents for transfer of trust properties shall be executed upon the sanction of the Scheme in accordance with the terms hereof by the trustees of such trusts in favour of the trusts of the Transferee Company so as to continue the benefits of the employees. For this purpose, the trusts created by the Transferor Company shall be transferred/merged with the respective trust(s) of the Transferee Company and/or continued by the Transferee Company, if permitted by law, failing which the Transferee Company shall establish similar trusts ensuring that there is continuity in this regard. The Trustees, including the Board of Directors of the Transferee Company, shall be entitled to adopt such course of action in this regard, as may be advised, provided however that there shall be no discontinuation or breakage in the service of the employees of the Transferor Company. Notwithstanding the above, the Board of Directors of the Transferee Company, if it deems fit and subject to applicable law, shall be entitled to retain separate trusts / schemes within the Transferee Company for each of the erstwhile trusts / schemes of the Transferor Company. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company.

12. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

- (i) With effect from the Appointed Date and upto and including the Effective Date:
- a. The Transferor Company shall be deemed to have been carrying on and shall carry on their businesses and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertake to hold the said assets with utmost prudence until the Effective Date.
 - b. The Transferor Company shall carry on their businesses and activities with reasonable diligence, business prudence and shall not (without the prior consent of the Transferee Company) alienate, create any charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof (except in the ordinary course of business).
 - c. All the profits or income, taxes (including advance tax, tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company from the Appointed Date shall

for all purposes be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.

- d. On and after the Appointed Date and until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise.

13. DIVIDENDS

- 13.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.
- 13.2 Subject to the provisions of the Scheme, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit, post the Effective Date.
- 13.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Transferor Company and the Transferee Company, subject to such approval of the shareholders, as may be required.

PART-III

CONSIDERATION & ACCOUNTING TREATMENT

14. CONSIDERATION

14.1 Consideration for amalgamation of Transferor Company into the Transferee Company:

- 14.1.1 Upon the Scheme becoming effective, the equity shares or the share certificates of the Transferor Company in relation to the shares held by the Transferee Company, (either directly or through nominee) as the case may be shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect without any necessity of them being surrendered.

14.1.2 Transferor Company is an wholly owned subsidiary of the Transferee Company and therefore, there shall be no issue of any shares by the Transferee Company upon amalgamation of Transferor Company into Transferee Company.

15. INCREASE IN AUTHORIZED SHARE CAPITAL AND AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEE COMPANY.

15.1 Upon the Scheme becoming effective, the Authorized Share capital of the Transferor Company shall be deemed to be added to the Authorized Share Capital of the Transferee Company and the authorized share capital of the Transferee Company shall be reclassified (in terms of clause 15.2 below) without any further act, deed or procedure, formalities or payment of any stamp duty and registration fees. The Face Value of equity shares shall remain 2/- of the Transferee Company after increase of the Authorized Capital.

15.2 Upon coming into effect of the Scheme, Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

The Authorized share capital of the Company is Rs.19,06,00,000 (Rupees Nineteen Crores and Six Lakhs only) divided into 9,53,00,000 (Rupees Nine Crores and Fifty Three Lakhs only) Equity shares of Rs.2/- (Rupees Two) each with the rights, privileges or conditions attached thereto as provided by the regulations of the company for the time being with power to increase or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being provided in the regulation of the company.

15.3 On approval of the Scheme by the members of the Transferee Company pursuant to Sections 233 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 13, 14 and other applicable provisions of the Company Act, 2013, as may be applicable, for the purpose of amendment of the Memorandum of Association of the Transferee Company as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Sections 13, 14 of the Act for amendment of the Memorandum of Association and Articles of Association of the Transferee Company.

16. ACCOUNTING TREATMENT FOR AMALGAMATION

On the Scheme becoming effective, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for as per "Indian Accounting Standards (IND AS)" as prescribed in the Company Accounts Rules, 2014 as amended from time to time issued by the Ministry of Corporate Affairs, as may be amended from time to time such that:

- (a) The Transferee Company shall, record all the assets and liabilities, including Reserves of the Transferor Company vested in it pursuant to this Scheme, at its respective book values as appearing in the books of the Transferor Company on the Appointed Date.
- (b) If at the time of amalgamation, the Transferor Company and the Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by the Transferee Company following the amalgamation. The effect on the financial statements of any change in accounting policies shall be reported in accordance with Indian Accounting Standards (IND AS).
- (c) Inter Company balances of the Transferor Company or vice versa, as appearing in the books of accounts of the Transferee Company, if not transferred before the Effective Date, shall stand cancelled and there shall be no further obligation/ outstanding in that behalf.
- (d) The loans and advance or payables or receivables of any kind, held inter-se, if any between the Transferor Company and the Transferee Company, as appearing in its respective books of accounts shall stand discharged prior to the Effective Date.
- (e) The difference between the share capital issued by the Transferee Company and the net assets of the Transferor Company acquired would be adjusted in the reserves of the Transferee Company. Also, the difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the reserves of the Transferee Company.
- (f) Upon amalgamation of the Transferor Company with the Transferee Company in terms of this Scheme, the surplus to the credit of the statement of Profit & Loss appearing in the financial statements of the Transferor Company shall be merged and aggregated with the corresponding balance appearing in the statement of Profit & Loss in the financial statements of the Transferee Company. Corresponding amounts shall be limited to Amalgamation Adjustment Account.
- (g) Investment, if any, in the equity Capital of the Transferor Company or vice versa as appearing in the books of accounts of the Transferee Company, if not transferred before effective date, shall stand cancelled and there shall be no further obligation/outstanding in that behalf.

PART-IV

OTHER PROVISIONS

17. VALIDITY OF EXISTING RESOLUTIONS, ETC.

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

18. APPLICATION / PETITION TO REGIONAL DIRECTOR:

18.1 The Transferor Company and Transferee Company shall, with all reasonable dispatch, file necessary applications / petitions with the Regional Director (Central Government), Southern Region, Chennai, under Section 233 and other applicable provisions of the Act read with Rule 25 of the Company (Compromise, Arrangement and Amalgamation) Rules, 2016, for sanctioning the scheme with such modifications as may be approved by the Regional Director.

18.2 On the Scheme being agreed to by the requisite Majorities of all the classes of the members and/or Creditors of transferor Company and Transferee Company shall, with all reasonable dispatch, apply to the Regional Director (Central Government), for sanctioning the scheme under section 233 and other applicable provisions of the Act read with Rule 25 of the Company (Compromise, Arrangement and Amalgamation) Rules, 2016, and such other order, as the said Regional Director (Central Government) may deem fit for carrying this scheme into effect and for dissolution of transferor Company without winding-up.

19. DISSOLUTION OF THE TRANSFEROR COMPANY:

19.1 On the Scheme becoming effective, the Transferor Company shall, without any further act or deed, be dissolved without being wound up.

19.2 On and from the Effective Date, the names of the Transferor Company shall be struck off from the records of the Registrar of Company. The Transferee Company shall make necessary filings in this regard.

20. CONDITIONALITY OF SCHEME:

The Scheme is conditional upon and subject to:

- a) The Observation/objections of Registrar of Companies, Chennai and Official Liquidator in terms of Section 233.
- b) The Scheme being agreed to by the requisite majority of members and creditors of the transferor Company and Transferee Company.
- c) The Scheme being approved by the Regional Director (Central Government), Southern Region at Chennai Jurisdiction.
- d) The Confirmation order of the Regional Director (Central Government) sanctioning this scheme being filed with the Registrar of Companies, Chennai having jurisdiction over the transferee Company:
- e) All other sanctions and approvals, as may be required by law, in respect of this scheme being obtained.

21. COSTS:

All costs, charges, fees, taxes including stamp duty and registration fee, of any deed, document, instruments in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company. All such costs, charges, fees, taxes, stamp duty including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of the Transferee Company.

22. MODIFICATION OR AMENDMENT OF THE SCHEME AND REVOCATION OF THE SCHEME:

- a) The Transferee Company and Transferor Company, by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Regional Director/ Registrar of Company / SEBI/ Stock Exchange /Official Liquidator and/or other authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable. The Transferee Company and the Transferor Company, by their respective Board of Directors, or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any order(s) of the Regional Director/Registrar of Company or of any directive or order(s) of any other authority or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

- b) The Transferor Company and Transferee Company shall be at liberty to withdraw this Scheme in case any condition or alteration imposed by the Regional Director or any other authority is not on terms acceptable to them.
- c) In the event of any of the said sanctions / approvals / conditions referred to in clauses 20 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Regional Director and/or order or orders not being passed as aforesaid and/or the Scheme failing to be made effective, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme to be of no effect if such Boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn-up orders with any authority could have adverse implication on all/any of the Company.
