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7th April, 2018

To

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

BSE Scrip Code: 532513

Dear Sir,

Ref: Observation Letter Ref: DCS/AMAL/ST/R37/714/2016-17 dated 01.03.2017 for the Scheme of Amalgamation of Prime Property Holdings Limited (“the Transferor Company”) with TVS Electronics Limited (“the Transferee Company”)

Sub: Submission of copy of Order along with Scheme sanctioned by the Hon’ble National Company Law Tribunal

Pursuant to your ‘No-Objection’ letter dated 1st March, 2017 for the above cited Scheme of Amalgamation, we are pleased to inform you that the Scheme of Amalgamation of Prime Property Holdings Limited (Transferor Company) with TVS Electronics Limited (Transferee Company) has been sanctioned by the Hon’ble National Company Law Tribunal, Division Bench, Chennai (NCLT), vide order dated 27th March, 2018.

The copy of the NCLT Order along the Scheme is enclosed herewith.

We request you to take on the same on record.

Thanking you,
For TVS Electronics Limited

S Nagalakshmi
Company Secretary

Encl: As above

TVS Electronics Limited

"Arihant E-Park", No.117/1, 8th & 9th Floor, L.B.Road, Adyar, Chennai - 600 020. Tel.: + 91-44-4200 5200

Registered Office: Jayalakshmi Estate, New No.29, (Old No.8), Haddows Road, Chennai- 600 006.

Corporate Identity Number : L30007TN1995PLC032941

E-mail id : webmaster@tvs-e.in Website: www.tvs-e.in

FORM No. CAA.7

[Pursuant to section 232 and rule 20]

National Company Law Tribunal, Division Bench, Chennai

In the matter of the Companies Act, 2013

And

In the matter of Scheme of Amalgamation of

M/s. PRIME PROPERTY HOLDINGS LIMITED

(CIN: U45200TN2007PLC065330)

(Transferor Company)

With

M/s. TVS ELECTRONICS LIMITED

(CIN: L30007TN1995PLC032941)

(Transferee Company)

And

THEIR RESPECTIVE SHAREHOLDERS

Order under section 232



Under consideration are two Company Petition Nos./ 9 & 10 /CAA/2018 filed by the above mentioned Petitioner Companies under the provisions of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements & Amalgamation) Rules, 2016. All the statutory requirements under law have been fulfilled. The Petitioner Companies complied with all the directions given by this Tribunal. The Petition came up for hearing before this Tribunal on 26.02.2018.

For the purpose of considering and approving without modification, the Scheme of Amalgamation of M/s. Prime Property Holdings Limited, the Transferor Company, by transferring and vesting operation **with** M/s. TVS Electronics Limited, the Transferee Company.

Upon perusal and hearing Shri. T.K Bhaskar, Shri. Srinath Sridevan and Shri. K. Harishankar, the learned counsel for the Petitioner Companies on 26.02.2018.

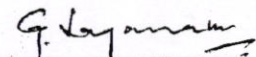
THIS TRIBUNAL DO ORDER

- 1) That the Scheme of Amalgamation as annexed with the Petition alongwith Schedules is hereby sanctioned.
- 2) That all the property, rights and powers of the Transferor Company specified in the schedule hereto and all other property, rights and powers of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and vested in the Transferee company for all the estate and interest of the Transferor company therein but subject nevertheless to all charges now affecting the same ; and
- 3) That all the liabilities and duties of the Transferor company be transferred without further act or deed to the Transferee company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and become the liabilities and duties of the Transferee company; and
- 4) That all proceedings now pending by or against Transferor Company be continued by or against the Transferee company; and
- 5) That the Appointed date of the Scheme is 01.04.2016; and
- 6) Clause 8.1 of the scheme of the companies provide for the protection of the interest of the employees ((including those on sabbatical/ maternity leave) of the Transferor Company; and
- 7) That the Transferor Company shall be dissolved without the process of winding up from the date of the filing of the certified copy of this order with the Registrar of Companies; and
- 8) The Petitioner Company do file with the Registrar of Companies the certified copy of this Order within 30 days of the receipt of the order; and
- 9) This Tribunal do further order that the parties to the Scheme of Amalgamation or other persons interested shall be at liberty to apply to this Tribunal for any directions that may be necessary with regard to the working of the said Scheme.

SCHEDULE

The Scheme of Amalgamation as sanctioned by the Tribunal contains the details of the properties, stocks, shares, debentures and other charges in action of the Transferor Company.

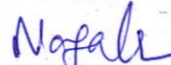
Dated this 27th day of March, 2018, NCLT, DB, Chennai.


Registrar/Dy. Registrar

TJS

CERTIFIED TRUE COPY

For TVS Electronics Limited


S. Nagalakshmi
Company Secretary

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI**

**CP/9 &10/CAA/2018
[CA/156/CAA/2017]**

Under section 230 to 232 of the Companies Act, 2013

In the matter of Scheme of Amalgamation of

M/s. PRIME PROPERTY HOLDINGS LIMITED

(CIN: U45200TN2007PLC065330)

(Transferor Company)

With

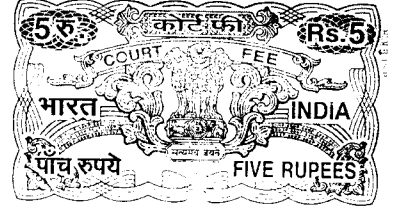
M/s. TVS ELECTRONICS LIMITED

(CIN: L30007TN1995PLC032941)

(Transferee Company)

And

THEIR RESPECTIVE SHAREHOLDERS



Order delivered on: 27.03.2018

Coram:

K. Anantha Padmanabha Swamy, Member (Judicial)

S. Vijayaraghavan, Member (Technical)

For the Petitioners: Shri. T.K Bhaskar, Advocate

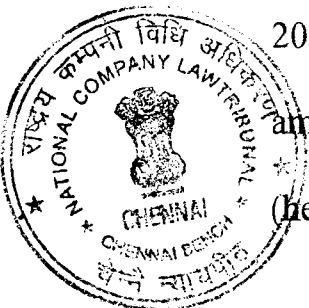
Shri. Srinath Sridevan, Advocate

Shri. K. Harishankar, Advocate

ORDER

Per: K. ANANTHA PADMANABHA SWAMY, MEMBER (J)

1. Under Consideration are two Company Petition nos. CP/ 9 & 10 /CAA/2017 filed under section 230 of the Companies Act, 2013 r/w the Companies (Compromises, Arrangements and Amalgamations) Rules 2016. The instant petitions pertain to the proposed Scheme of amalgamation by virtue of which M/s. Prime Property Holdings Limited (hereinafter referred as 'Transferor Company') is proposed to be

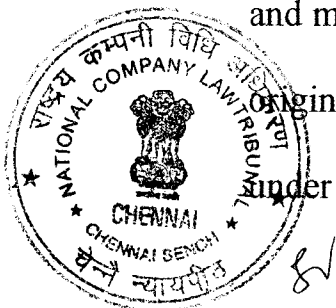


amalgamated with M/s. TVS Electronics Limited (hereinafter referred as 'Transferee Company').

2. The Authorised and issued, subscribed & paid up share capital of the Transferor and the Transferee Company and secured/ unsecured creditors are as under:

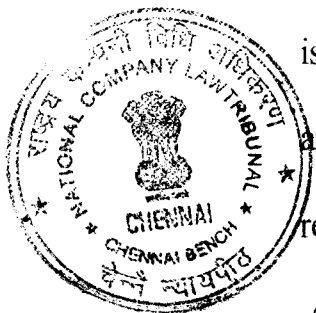
Particulars	Authorized Capital	Issued & paid-up Capital	Equity Share-holders	Secured Creditors	Unsecured Creditors
Transferor Company	Rs. 5,00,000	Rs. 5,00,000	7	Nil	1
Transferee Company	Rs. 25,00,00,000	Rs. 18,61,28,180	28,477	2	1240

3. The Transferor Company is a Public Unlisted Company which was incorporated on 09.09.2007 under the Companies Act, 1956, having its registered office is situated at Jayalakshmi Estates, 29 Haddows Road, Chennai-600006. The Transferor Company is a wholly owned subsidiary of the Transferee Company. The Transferor Company is engaged *inter-alia* in the business of acquisition of lands/buildings as owners/lease holders or otherwise by itself or through promoters to construct, erect, repair, re-model demolish, develop and civil engineering, architects, surveyors, designers, town planners and as estate agent and estate managers to collect rents, repairs, look after, manage and maintain immovable properties etc. The Transferee Company is an originally incorporated on 15.09.1995 as a Private Limited Company, under the Companies Act, 1956, under the name and style M/s. Indmark



Infocom Private Limited. Subsequently, the company name was changed to Public limited company from M/s. Indmark Infocom Private Limited to M/s. Indmark Infocom Limited on 01.03.1996 and then changed to M/s. TVS eTechnology Limited on 24.01.2001. The Transferee Company was subsequently changed to its present name M/s. TVS Electronics Limited with effect from 25.08.2003, having its registered office is situated at Jayalakshmi Estates, 29 Haddows Road, Chennai-600006. The Transferee Company is engaged, *inter-alia* in the business of manufactures and merchants of and dealers in and consultants on electronic equipment and /or sub-systems and/or components of very kind for domestic, entertainment, non-automotive, industrial and professional applicants including railway, scientific, aircrafts, marine, defence, communications and other similar applications etc. The Board of Directors of the Transferor Company and Transferee Company vide their resolutions dated 29.04.2016 and 04.05.2016 respectively approved the said scheme of Amalgamation.

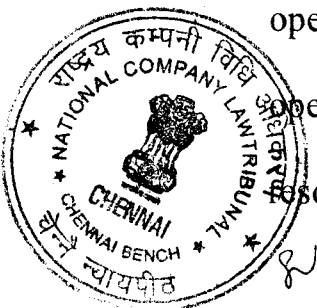
4. This Bench vide its order dated 11.10.2017 passed in CA/156 /CAA/2017 for convening, holding and conducting of the meeting of the Equity shareholders and unsecured creditors of the Transferor Company is dispensed with. The Transferor Company has no secured creditors and also furnished a certificate from the Chartered Accountant. In relation to the Transferee Company this bench has directed to conduct a



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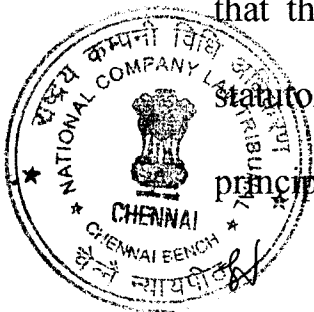
meeting of equity shares holders. All the Shareholders of the Transferee Company has present at the meeting in person or by proxy voted in favour of the scheme and the resolution presented at the meeting was approved unanimously and the Chairman's Report has also been filed in this regard. As per the Transferee Company it has furnished the consent affidavit of the one unsecured Creditors to whom the company owes 93.58% outstanding amount has dispensed with meeting of the unsecured creditors. The Petitioner Companies complied with all the orders passed by the Bench.

5. Shri T.K Bhaskar, the learned counsel appearing for the petitioner Companies submitted that the rationale of the scheme is that the Transferee Company would be benefited from the said scheme of Amalgamation will result in integration of the business, reduction of shareholding layers and direct control of the assets of the Transferor Company in the hands of the Transferee Company and the Transferor Company is a wholly owned subsidiary of the Transferee Company; the scheme of amalgamation will benefit the shareholders, employees and creditors and also the administrative and operational cost will get considerably reduced and the Transferee Company will be able to operate and run more effectively and economically resulting in improved operational efficiencies arising out of more productive utilization of resources etc. Further it has been submitted that no investigation



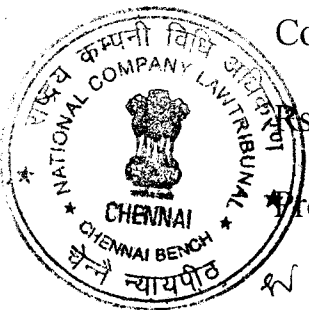
proceedings are pending against the Companies Act, 1956 and or the Companies Act, 2013 or by the Registrar of the Companies, Tami Nadu.

6. In this case as per the provisions of the Companies Act, 2013, the notices were issued to the statutory authorities as per the procedure prescribed. However, there were no objection to the scheme under reference.
7. The Regional Director, Southern Region (In short, 'RD') in its Report Affidavit (for brevity, 'Report') dated 11.01.2018 submitted that as per records of ROC, Chennai, the Transferor Company is regular in filing its statutory returns and no investigation is pending against the company. It is further submitted that as per Clause 8 of the scheme of the companies provide for the protection of the interest of the employees of the Transferor Company. However, the RD has decided not to make any objection to the Scheme and submitted that the petition may be disposed of on merits.
8. The Official Liquidator (In short, 'OL') in its report dated 14th February, 2018 submitted that M/s. Gayathiri & Co., Chartered Accountants appointed on the order of the Hon'ble High Court, have scrutinized the books and accounts of the Transferor Company. The Auditor observed that the Transferor Company has maintained and written up all the statutory books in accordance with normally accepted accounting principle and policies in accordance with the requirements of the



Companies Act, 2013 and also the affairs of the company have not been conducted in a manner prejudicial to the interest of its members, creditors or to public interest.

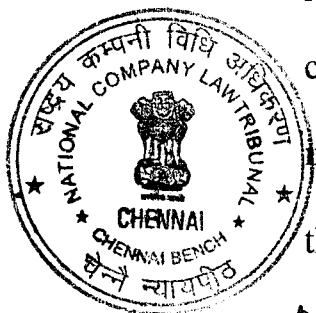
9. The OL further submitted that under Clause 8.1 of Part-B the proposed scheme, the interest of all staff and employees (including those on sabbatical/ maternity leave) in the service of the Transferor Company is safeguarded. As per Clause 10.1 of Part-B the said scheme, since the Transferor Company is wholly owned subsidiary of the Transferee Company, upon the effect of the scheme, all the equity shares held by the Transferee Company and its Nominees in the Transferor Company shall be cancelled and extinguished as on the Appointment Date. Accordingly, there will be no issue and allotment of equity shares of the Transferee Company to the shareholders of the Transferor Company upon the Scheme becoming effective. Further, submitted that the Transferor Company has short-term borrowings from the Transferee Company and they have utilized the long term investments for the purchase of Cumulative Compulsorily Convertible Preference shares of M/s. Benaini Foods Private Limited, the nominal value for share of Rs. 10/- and premium amount per share in Rs. 3,927/- and the Transferor Company has purchased 2032 shares of Rs. 3927 each totalling a sum of Rs. 79,99,984/- and also paid Advance Tax paid of Rs. 64 Lakhs and professional charges of Rs. 11 Lakhs. Further, submitted that the



Transferor Companies have maintained and written up all the statutory books in accordance with normally accepted accounting principles and fulfilled the requirements under the provisions of the Companies Act, 1956 and other applicable provisions of Companies Act, 2013 and also the affairs of the companies have not been conducted with intent to defraud its creditors or any other person. Therefore, the provisions of Sections 542, 543 of the Companies Act, 1956 and under section 339 and 340 of the Companies Act, 2013 are not attracted. The OL has submitted that the company petitions may be decided on merits.

10. Further perusal of the scheme shows that the accounting treatment is in conformity with the established accounting standards. In short, there is no apprehension that any of the creditors would lose or be prejudiced if the proposed scheme is sanctioned. The said Scheme of Amalgamation will not cast any additional burden on the stakeholders and also will not prejudicially affect the interests of any class of the creditors in any manner. **The Appointed date of the Scheme is 01.04.2016.**

11. The Scheme does not require any modification and the said Scheme of Amalgamation appears to be fair and reasonable, not contrary to public policy and also not violative of any provisions of law. All the statutory compliances have been made under the Companies Act, 2013. Taking into consideration all the above, the Company Petition is allowed and the Scheme of Amalgamation annexed with the petition is hereby



sanctioned which shall be binding on all the members, creditors and shareholders.

12. While approving the scheme as above, we further clarify that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained and compliances that may have to be made as per the mandate of law.

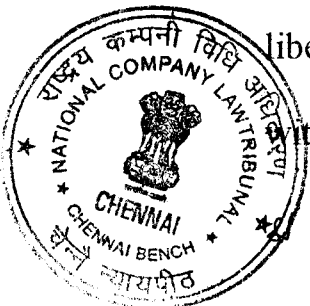
13. The Transferor Company shall be dissolved without winding up from the date of the filing of the certified copy of this order with the registrar of companies.

14. Upon receiving the certified copy of this order, the RoC, Chennai is directed to place all documents relating to the Transferor Company with that of the Transferee Company and the files relating to the Transferor Company shall be consolidated with the files and records of the Transferee Company.

15. The Company to the said Scheme or other person interested, shall be at

liberty to apply to this Bench for any direction that may be necessary


with regard to the working of the said Scheme. The Petitioner Company




to file with the Registrar of Companies the certified copy of this Order within 30 days of the receipt of the order.

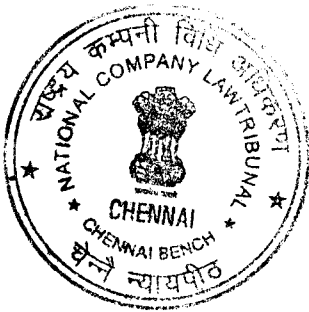
16. The Order of sanction to this Scheme shall be prepared by the Registry as per the format provided under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 as has been notified on 14th December, 2016.

17. Accordingly, the Scheme stands sanctioned and the Company Petition Nos. 9 & 10/ CAA/2018 stand disposed of.

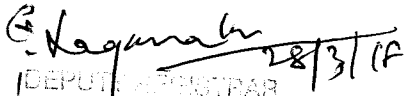

S. Vijayaraghavan
Member (Technical)


K. Anantha Padmanabha Swamy
Member (Judicial)

TJS



Certified to be True Copy


DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE COURT BUILDING FLOOR
29, RAJA RAJESWARI SALAI, CHENNAI-600001.

**SCHEME OF AMALGAMATION
BETWEEN
PRIME PROPERTY HOLDINGS LIMITED
(Transferor Company)
AND
TVS ELECTRONICS LIMITED
(Transferee Company)
AND
THEIR RESPECTIVE SHAREHOLDERS**

Under Sections 391 to 394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) in respect of the Amalgamation of Prime Property Holdings Limited with TVS Electronics Limited.

This Scheme is divided into following Parts

1. **Part A – Dealing with Definitions and Share Capital;**
2. **Part B – Dealing with Amalgamation of Prime Property Holdings Limited with TVS Electronics Limited.;**
3. **Part C – Dealing with General Terms and Conditions applicable to the entire Scheme.**



PART A

DEFINITIONS & SHARE CAPITAL

1. DEFINITIONS

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

- 1.1 “**Act**” or “**the Act**” means the Companies Act, 1956 and the Companies Act, 2013 and rules made there under (as modified from time to time) and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 1.2 “**Appointed Date**” means the date from which this Scheme shall become operative viz., the commencement of business on 1st April, 2016.
- 1.3 “**Board**” or “**Board of Directors**” means the Board of Directors of the Transferor Company and the Transferee Company and includes any Committee thereof;
- 1.4 “**Book Value(s)**” means the value(s) of the assets and liabilities as appearing in the respective Balance Sheets of the Transferor Company, and the Transferee Company on a same date;
- 1.5 “**Court**” or “**High Court**” means the Hon’ble High Court of Judicature at Madras, and shall include the National Company Law Tribunal, as and when applicable;
- 1.6 “**Effective Date**” means the last of the following dates, namely (a) date on which certified copies of the orders of the Court under Sections 391 and 394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) sanctioning the Scheme are filed with the Registrar of Companies and (b) date on which the last of all such consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary thereto have been obtained or passed;



- 1.7 “**Government**” or “**Semi Government**” or “**Local Authority**” means any applicable Central, State or Local Government, Legislative Body, Regulatory or Administrative Authority, Agency or Commission or any Court, Tribunal, Board, Bureau, Judicial or Arbitral body having jurisdiction over the Territory of India;
- 1.8 “**Transferor Company**” means Prime Property Holdings Limited (Corporate Identity Number U45200TN2007PLC065330), a Company incorporated under the provisions of the Companies Act, 1956 on 9th November, 2007 and having its Registered Office at Jayalakshmi Estates, 29 Haddows Road, Chennai - 600006;
- 1.9 “**Transferee Company**” means TVS Electronics Limited, (Corporate Identity Number L30007TN1995PLC032941), a Company incorporated under the Indian Companies Act, 1956 on 15th September, 1995 and having its Registered Office at ‘Jayalakshmi Estates, 29, Haddows Road, Chennai - 600006;
- 1.10 “**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) and amendment(s) as may be made from time to time, with appropriate approvals and sanctions of the Courts and other relevant regulatory/statutory/governmental authorities, as may be required under the Act, and/or under any other applicable laws;
- 1.11 “**Undertaking**” means all respective businesses of, the Transferor Company on a going concern basis and shall also include all the Assets, Liabilities and employees of the Transferor Company.

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 ascribed 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. DATE OF TAKING EFFECT

- 2.1 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.



3. SHARE CAPITAL

- 3.1 The Authorised, Issued, Subscribed and Paid-up Share Capital of Transferor Company as on 31st March, 2016 is as under:

Particulars	Amount in Rs.
Authorised Share Capital:	
50,000 Equity Shares of Rs.10/- each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid Up:	
50,000 Equity Shares of Rs.10/- each	5,00,000
Total	5,00,000

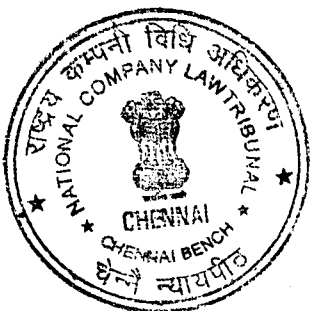
There is no change in the capital structure of the Transferor Company since March 31, 2016 till date.

- 3.2 The Authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 31st March, 2016 is as under:

Particulars	Amount in Rs.
Authorised Share Capital	
2,50,00,000 Equity Shares of Rs. 10/- each	25,00,00,000
Total	25,00,00,000
Issued, subscribed and paid-up Share Capital	
1,85,52,818 Equity Shares of Rs.10/- each	18,55,28,180
Total	18,55,28,180

The issued, subscribed and paid up share capital of the Transferee Company has since increased to Rs. 18,61,28,180/- consisting of 1,86,12,818 equity shares of Rs. 10/- each upon an issue and allotment of 60,000 Equity Shares of Rs. 10/- each on 18th May, 2016

- 3.3 The Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2 (1B) of the Income Tax Act, 1961 or any statutory modification or re-enactment thereof. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section, at a later date, including resulting from an amendment of law or for any other reason whatsoever upto the Effective Date, the provisions of the said Section of the Income Tax Act, 1961 or re-enactment thereof shall prevail and the Scheme shall



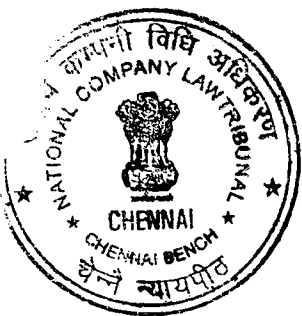
stand modified to the extent determined necessary to comply with Section 2 (1B) of the Income Tax Act, 1961 or re-enactment thereof. Such modification will, however, not affect the other parts of the Scheme.

PART B

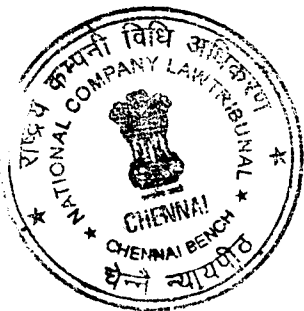
AMALGAMATION OF TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

4. TRANSFER OF ASSETS:

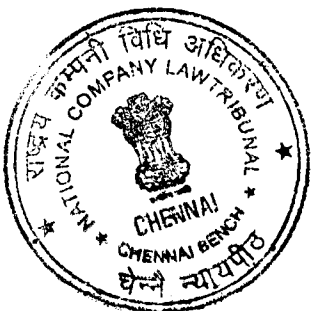
- 4.1 Upon the coming into effect of the Scheme, that is with effect from the Appointed Date, the entire businesses and all the movable and immovable properties, Sundry Debtors, Loans and Advances, Cash and Bank Balances and Deposits with Government, Semi Government or Local Authorities, real or personal, corporeal or incorporeal, including fixed assets, capital asset, capital work-in-progress, current assets, investments of all kinds, carry interest or other benefits in any of the Investments, lease and hire purchase contracts, lending contracts, benefits of any security arrangements, rights, title, interest, quotas, benefits and advantages of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession and /or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company including all Patents, Trademarks, Copyrights, Trade names and other Intellectual Property Rights of any nature whatsoever and licenses in respect thereof, privileges, liberties easements, advantages, exemptions, benefits, leases including mining leases, pending applications for mining leases and prospecting licenses, leasehold rights, tenancy rights, ownership flats, quota rights, permits, approvals, authorizations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, benefit of all agreements, subsidies, grants, incentives including sales tax incentives, tax credits, sales-tax, turnover tax, excise, and all other interests arising of the Transferor Company and any accretions or additions thereto after the Appointed Date (hereinafter collectively referred to as "the said assets") shall be transferred to and vested in and / or deemed to be transferred to and vested in the Transferee Company, without any further act or deed or instrument, pursuant to the provisions of Sections 391-394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) and other applicable provisions of the said Act, so as to become as and from the Appointed Date, the estate, assets, rights, title and interests of the Transferee Company.



- 4.2 Any floating charges, if created by the Transferor Company in favour of their bankers on any of the movable assets, documents of title to goods, receivables, claims and other current assets that are acquired by the Transferor Company from the Appointed Date till the Effective Date, shall be deemed to be the security and shall be available as security for the loans, cash credit and other working capital facilities, both fund based and non-fund based, which were sanctioned by the bankers of the Transferor Company, either utilised fully or partly or unutilised by the Transferor Company subject to the limits sanctioned by their respective bankers so transferred and vested in the Transferee Company pursuant to the Scheme.
- 4.3 The Scheme, as aforesaid, shall be, subject to existing charges / hypothecation / mortgage (if any as may be subsisting) over or in respect of the said assets or any part thereof in favour of Banks and Financial Institutions. Provided, however, that any reference in any security documents or arrangements to which the Transferor Company are a party, to such assets of the Transferor Company offered or agreed to be offered as security for any financial assistance both availed and to be availed up to any limit for which sanctions have already been obtained by the Transferor Company shall be construed as references only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of the Sub-Clause 4.1 hereof, to the end and intent that such security, mortgage and or charge shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions of the Transferee Company, unless specially agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company.
- 4.4 It is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual or constructive delivery and / or by endorsement and delivery, the same shall be so transferred by the respective Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of Sections 391 - 394 of the Companies Act, 1956, (or such applicable provisions of the Companies Act, 2013, as the case may be) such transfer being deemed to have taken place at the location of the Registered Office of the Transferee Company, i.e., in the State of Tamil Nadu.



- 4.5 In respect of the assets other than those referred to above shall without any further act, instrument, deed or matter or thing be transferred to and vested in and / or deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be). The vesting of all such assets shall be by virtue of the provisions of this Scheme and Sections 391 to 394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) be deemed to have taken place at the location of the Registered Office of the Transferee Company i.e., in the State of Tamil Nadu.
- 4.6 All benefits including any direct and indirect taxes, etc., to which the Transferor Company are entitled to in terms of the various Statutes and/or Schemes of the Union and State Governments or local authorities shall be available to and vest in the Transferee Company without any further act or deed.
- 4.7 Any refund under the Tax Laws received by / due to Transferor Company consequent to the assessments made on Transferor Company subsequent to the Appointed Date 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 Transferee Company.
- 4.8 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 the secured creditors, if any, of the respective Transferor Company or in favour of any other 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 authorized to execute any such writings on behalf of the Transferor Company to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 4.9 Upon the coming into effect of the Scheme, the Transferee Company may, if it considers necessary or expedient, revise (with retroactive effect, if applicable), its Income-Tax returns, TDS returns, Service Tax returns, Sale-Tax returns and other tax returns and claim refunds and/or credits etc. pertaining to business activities of the Undertakings of the Transferor Company, pursuant to the provisions of the Scheme.



5. TRANSFER OF DEBTS AND LIABILITIES:

- 5.1 With effect from the Appointed Date, all debts, liabilities, loans, borrowings, bills payable, deposits, security deposits, interest accrued, duties and obligations of the respective Transferor Company including contingent liabilities not provided in their books and any accretions and additions or reductions thereto after the Appointed Date shall also stand transferred or be deemed to be transferred without any further act or instrument or deed to the Transferee Company so as to become as and from that date, the debts, liabilities, loans, borrowings, bills payable, deposits, security deposits, interest accrued, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause, PROVIDED ALWAYS that nothing in this Clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness created by the Transferor Company prior to the Appointed Date which shall be transferred to and vested in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be required or obliged in any manner to create any further or additional security therefore after the Appointed Date or otherwise.
- 5.2 All the loans, advances and other facilities sanctioned to the Transferor Company by their bankers or any other creditors prior to the Appointed Date, which are partly drawn / utilised shall be deemed to be the loans and advances sanctioned to the Transferee Company and the said loans and advances shall be drawn / utilised either partly or fully by the respective Transferor Company from the Appointed Date till the Effective Date and all the advances / loans and or other facilities so drawn by the respective Transferor Company (within the overall limits sanctioned by their bankers) shall on the Effective Date be treated as advances and loans made available to the Transferee Company under any loan agreement and shall become the obligation of the Transferee Company without any further act, or deed on the part of the Transferee Company.
- 5.3 Upon the coming into effect of this Scheme, the limits of the Transferee Company for borrowing, lending, providing loans and advances, investments or providing guarantees or giving donations, shall without further act or deed stand enhanced by an amount equivalent to the combined authorised limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company.



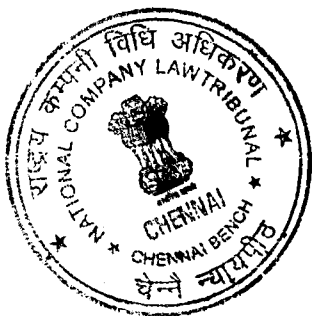
- 5.4 The resolutions, if any, of the Board of Directors, or Committees thereof, Shareholders, Debenture Holders of the Transferor Company which are valid and subsisting on the Effective Date shall be continued to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable legislations then said limits shall be added and shall constitute the aggregate of the said limits of the Transferee Company.
- 5.5 Upon this Scheme coming into effect, any loan or liabilities other obligations due and all the interparty transactions or commitments between or amongst the Transferor Company and the Transferee Company shall stand discharged and shall stand cancelled and there shall be no liability in that behalf.

6. LEGAL PROCEEDINGS

- 6.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company or its properties, assets, debts, liabilities, duties and obligations referred to above, shall be continued and/or enforced until the Effective Date as desired by the Transferee Company and as and from the Effective Date 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. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in its name in relation to the Transferor Company in the same manner and to the same extent as would, or might, have been initiated by the Transferor Company.

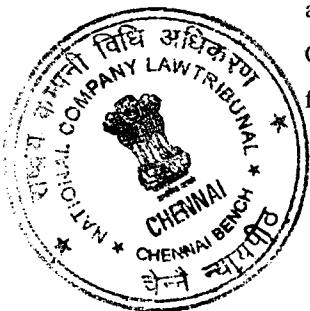
7. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 7.1. Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, insurance policies, incentives, licenses, approvals to do any business, engagements, registrations, exemptions, entitlements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or the benefit to which the Transferor Company /may be eligible, subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company as the case may be, and may be



enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto without the requirement of obtaining or seeking consent or approval of any third party or Government, Semi Government or Local Authorities or any Department of the Government or Authorities. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmation 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.

- 7.2. 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 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.
- 7.3. 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 is 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.
- 7.4. 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 is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.



8. EMPLOYEES

- 8.1. Upon the Scheme becoming effective, all the employees in the service of the Transferor Company immediately before the Effective Date shall become the 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.
 - b) The terms and conditions of employment applicable to the said 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 employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
 - d) In so far as the existing provident fund trusts, gratuity fund and pension and / or superannuation fund trusts created by the Transferor Company for its employees are concerned, the part of the funds referable to the employees who are being transferred shall be continued for the benefit of the employees who are being transferred to the Transferee Company pursuant to the Scheme in the manner provided hereinafter. In the event that the Transferee Company has its own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Transferor Company shall, subject to approvals and permissions, if required, be transferred to the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own fund, in respect of any of the aforesaid matters, the Transferee Company may, subject to approvals and permissions, if required, continue to contribute to the relevant funds of the Transferor Company until such time that the Transferee Company creates its own fund, at which time the contributions pertaining to the employees of the Transferor Company shall be transferred to the funds created by the Transferee Company. Provided however that, the Transferee Company shall be at liberty to form or restructure its provident fund trusts, gratuity fund and pension and/or superannuation fund trusts in such manner as



may be decided by its Board of Directors, subject to compliance of relevant labour laws and any other allied laws for the purpose.

9. SAVING OF CONCLUDED TRANSACTIONS

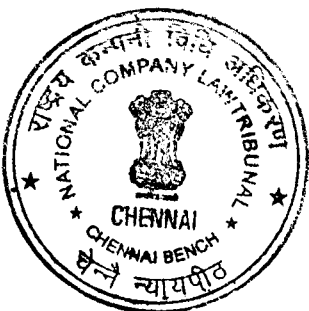
- 9.1. The transfer of Assets under Clause 4 above, the continuance of proceedings by or against the Transferee Company under Clause 6 above and the effectiveness of contracts and deeds under Clauses 7 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the 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.

10. CANCELLATION OF SHARES

- 10.1. Since the Transferor Company is the wholly owned subsidiary of the Transferee Company, upon the Scheme being sanctioned by the Hon'ble Court and the transfer having been effected as provided hereinabove, all the equity shares held by the Transferee Company and its Nominees in the Transferor Company shall be cancelled and extinguished as on the Appointed Date. Accordingly, there will be no issue and allotment of equity shares of the Transferee Company to the Shareholders of the Transferor Company upon this Scheme becoming effective.

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

- 11.1. With effect from the Appointed Date and up to and including the Effective Date:
- 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.
 - All profits or income or taxes, including but not limited to income tax, fringe benefit tax, advance taxes, minimum alternate tax, 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,

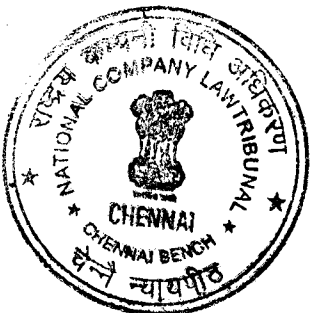


shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.

- 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.

12. ACCOUNTING TREATMENT

- 12.1. The Transferee Company shall account for the Amalgamation of the Transferor Company as per the method prescribed under Accounting Standard 14 prescribed by the Institute of Chartered Accountants of India for Amalgamations and any amendments thereto.



- 12.2. With effect from the Appointed Date and subject to the provisions hereof and such other corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, all the assets and liabilities of the Transferor Company transferred to the Transferee Company pursuant to this Scheme shall be recorded in the books of the Transferee Company at Book Values as appearing in the books of accounts of the Transferor Company.
- 12.3. With effect from the Appointed Date and upon the Scheme becoming effective, subject to any corrections and adjustments as may in the opinion of the board of directors of the Transferee Company be required, the reserves of the Transferor Company shall be merged with those of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.
- 12.4. The difference arising out of the transfer of assets and liabilities of the Transferor Company to the Transferee Company over the face value of equity shares issued by the Transferee Company and adjusting the appreciation and/or diminution, if and to the extent considered appropriate by the Board of Directors of the Transferee Company, in the value of certain of its assets, whether fixed or current, as on the date determined by the Board of the Transferee Company in the books of account of the Transferee Company shall, in case of surplus, or deficit, an amount, as may be considered appropriate by the Board, be adjusted to the general reserve in the financial statements of the Transferee Company.
- 12.5. In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the general 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.
- 12.6. Upon the Scheme coming into effect, to the extent that there are inter-company investments, if any, loans, bonds, debentures, advances, deposit balances or other obligations as 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 Transferee Company for the cancellation of any such assets or liabilities, as the case may be. The difference, if any, arising by such effects in the books of accounts, shall be adjusted to the Capital Reserve of the Transferee Company. For the removal of doubts, it is hereby clarified



that there would be no accrual of interest or other charges in respect of any such inter-company investments, loans, debt securities or balances with effect from the Appointed Date.

13. DISSOLUTION OF TRANSFEROR COMPANY

- 13.1. Subject to an order being made by the Court under Section 394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) 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 there under.

PART C

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE ENTIRE SCHEME

14. APPLICATION TO THE HIGH COURT OF JUDICATURE AT MADRAS

- 14.1. The Transferor Company and the Transferee Company shall, with reasonable dispatch, apply to the High Court for necessary orders or directions for holding or dispensing with the meetings of the members (and creditors, if necessary) of the Transferor Company and the Transferee Company respectively and for sanctioning this Scheme under Sec.391 to 394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) and orders under Sec.394 of the Company Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) for carrying this Scheme into effect, for dissolution of the Transferor Company without winding up, for the transfer of the undertaking of the Transferor Company to the Transferee Company.

15. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 15.1. The Transferor Company and the Transferee Company through their respective Board 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 High Court or any other Competent Authority may deem fit to direct, approve or impose and may give such directions, 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 all such acts, deeds, matters and things necessary for putting this Scheme into effect.

- 15.2. After dissolution of the Transferor Company, the Transferee Company by its Board of Directors or other persons, duly authorised by its Board in this regard, shall be authorised, to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the High Court or of any directive or order of any other authorities or otherwise, however, arising out of, under by virtue of this Scheme in relation to the Amalgamation and / or matters concerning or connected therewith.

16. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to -

- 16.1. 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.
- 16.2. The Scheme being agreed to by the requisite majorities of the members of the Transferor Company if a meeting of the members of the Transferor Company is convened by the Court or if dispensation from conducting the meeting of the members of the Transferor Company is obtained from the Court, and the sanction of the Court being accorded to the Scheme.
- 16.3. The sanction by the Court under Sections 391 and 394 of the Companies Act, 1956 and other applicable provisions of the Act being obtained by the Transferor Company and also the Transferee Company, if a separate petition for sanction of the Scheme is directed by the Court to be filed by the Transferee Company.
- 16.4. The filing with the Registrar of Companies, Chennai of certified copies of order sanctioning the Scheme by the Transferor Company and Transferee Company.



17. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges 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 and incidental to the completion of the Amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

