

SCHEME OF AMALGAMATION
OF
MOUNT EVEREST MINERAL WATER LIMITED
WITH
TATA GLOBAL BEVERAGES LIMITED
PURSUANT TO SECTIONS 391 and 394 OF THE COMPANIES ACT, 1956

PREAMBLE

This Scheme of Amalgamation pursuant to Sections 391 and 394 of the Companies Act, 1956 provides for amalgamation of Mount Everest Mineral Water Limited, a Company incorporated under the provisions of the Act, having its registered office at Village Dhaula Kuan, Sirmour District, Himachal Pradesh 173 025 ("**Transferor Company**") with Tata Global Beverages Limited, a company incorporated under the provisions of the Act, having its registered office at 1, Bishop Lefroy Road, Kolkata 700 020 ("**Transferee Company**").

1. DEFINITIONS

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

- 1.1. "**Act**" means the Companies Act, 1956 or the Companies Act, 2013 as in force from time to time. As on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted;
- 1.2. "**Appointed Date**" means April 1, 2013 or such other date as may be approved by the Hon'ble High Court of Himachal Pradesh at Shimla and the Hon'ble High Court at Calcutta;
- 1.3. "**Assets**" shall have the meaning assigned to it in Clause 4.1 of this Scheme;
- 1.4. "**Board of Directors**" or "**Board**" means the board of directors of the Transferor Company or Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- 1.5. "**Effective Date**" means the last of the dates specified in Clause 18 of this Scheme. References in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme becoming effective" or "upon the Scheme coming into effect" shall mean the Effective Date;
- 1.6. "**Equity Share(s)**" means equity shares of the Transferor Company or Transferee Company, as the case may be;
- 1.7. "**Record Date**" means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of issue of new equity shares of the Transferee Company to the shareholders of the Transferor Company in terms of this Scheme;
- 1.8. "**Scheme**" or "**the Scheme**" or "**this Scheme**" or "**Scheme of Amalgamation**" means this scheme of amalgamation in its present form or with any modification(s) approved or directed by the Hon'ble High Court of Himachal Pradesh at Shimla and the Hon'ble High Court at Calcutta pursuant to the provisions of Sections 391 to 394 of the Act;
- 1.9. "**Share Exchange Ratio**" shall have the meaning ascribed to it in Clause 11.1 of this Scheme;
- 1.10. "**Transferee Company**" means Tata Global Beverages Limited, a company incorporated under the provisions of the Act having its registered office at 1, Bishop Lefroy Road, Kolkata 700 020;

- 1.11. “**Transferor Company**” means Mount Everest Mineral Water Limited, a company incorporated under the provisions of the Act having its registered office at Village Dhaula Kuan, Sirmour District, Himachal Pradesh 173 025; and
- 1.12. “**Undertaking of the Transferor Company**” means and includes all the properties, Assets, rights and powers of the Transferor Company; and all the debts, liabilities, duties and obligations of the Transferor Company.
- 1.13. Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed thereto.

2. CAPITAL STRUCTURE

- 2.1. As on the date of approval of the Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, i.e. November 12, 2013, the share capital of Transferor Company is as under:

Particulars	Amount (In Rupees)
Authorized Capital	
<i>Equity Shares</i>	
3,50,00,000 Equity Shares of Rs. 10 each.	35,00,00,000
	35,00,00,000
Issued, Subscribed and Paid-up Capital	
<i>Equity Shares</i>	
3,39,95,971 Equity Shares of Rs. 10 each fully paid up.	33,99,59,710
	33,99,59,710

- 2.2. As on the date of approval of the Scheme by the Boards of Directors of the Transferor Company and the Transferee Company, i.e. November 12, 2013, the share capital of the Transferee Company is as under.

Particulars	Amount (In Rupees)
Authorized Capital	
<i>Equity Shares</i>	
75,00,00,000 Equity Shares of Re. 1 each.	75,00,00,000
	75,00,00,000
Issued, Subscribed and Paid-up Capital	
<i>Equity Shares</i>	
61,83,98,570 Equity Shares of Re. 1 each fully paid up.	61,83,98,570
	61,83,98,570

3. BACKGROUND AND RATIONALE

3.1 Background

- a. The Transferee Company is a well established company engaged in the business of manufacture and marketing of various types of tea in the branded form. The Transferee Company also has interests in various other segments of the branded beverages business through its subsidiaries and associates which are manufacturing and marketing the same, including coffee. The Transferee Company was originally engaged in tea plantation business i.e. production of tea in bulk form. Over the years the Transferee Company has transformed itself from being primarily a domestic tea plantation company to a branded beverages marketing company in

the global arena having a robust and extensive marketing and distribution network and portfolio of well established and popular local and international brands. Approximately 85% of the total consolidated turnover of the Transferee Company, including all its subsidiaries during the period of 12 months ended on 31st March, 2013 was contributed by its worldwide branded beverages business.

- b. The Transferee Company also acquired an interest in the ready to drink liquid beverages segment by taking substantial shareholding and management control in 2007 of the Transferor Company which harvests natural mineral water sourced from Dhaula Kuan in the foothills of the Shivalik range of Himalayas and markets the same under the well known premium brand 'Himalayan'. The Transferor Company is presently a subsidiary of the Transferee Company. The Transferee Company presently holds 17,021,092 Equity Shares constituting 50.07% of the total Issued, Subscribed and Paid up Share Capital of the Transferor Company. The said acquisition fits into the brand portfolio and growth and business strategies of the Transferee Company. As such there are various synergies between the businesses and operations of the Transferor Company and the Transferee Company .
- c. The 'Himalayan' brand name used by the the Transferor Company conjures up a pristine and unique imagery which has an immediate resonance and recognition across the world. The 'Himalayan' brand of mineral water is well established in the domestic market. The said product has tremendous potential for extending its reach in both the domestic and global markets and scaling up of operations. . The Transferee Company with its vast marketing and distribution network across the globe and larger funding capacity is in a better position to harness this potential. In order to to unveil 'Himalyan' with its myriad prospects into the domestic as well as global arena more effectively, direct participation and support of the Transferee Company is necessary.

3.2 Rationale

- a. In view, *inter alia*, of the aforesaid, including commonality of business interests, portfolio fit and objectives of the Transferor Company and the Transferee Company and synergies between them, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme.
- b. The amalgamation will enable the amalgamated entity to grow the 'Himalayan' brand of natural mineral water and pursue such business and other opportunities in the 'Good for you ready to drink natural beverages' segment more effectively worldwide.
- c. The consolidation of operations of the Transferor Company and the Transferee Company by way of amalgamation will lead to a more efficient utilization of capital, superior deployment of brand promotion, sales and distribution strategies and create a consolidated and diversified base for future growth of the amalgamated entity with a wider presence in the premium water/beverages segment. The amalgamation, would facilitate greater cohesiveness to gain market share through core market competencies which are hallmarks of the Transferee Company with increased brand and customer recognition. The amalgamation will result in administrative and operational rationalization and promote organizational efficiencies. It will prevent cost duplication that can erode financial efficiencies of the holding structure and the resultant operations will be more cost-efficient with the achievement of greater economies of scale, reduction in overheads and improvement in various other operating parameters.

- d. The amalgamation will result in the formation of a stronger company with a larger capital and asset base and enable the combined business to be pursued more conveniently and advantageously. The amalgamation will have beneficial results for the amalgamating companies, their stakeholders and all concerned.

4. AMALGAMATION OF COMPANIES

- 4.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the whole of the Undertaking of the Transferor Company, including all properties, whether movable or immovable, freehold or leasehold (including the freehold and leasehold lands of the Transferor Company in Himachal Pradesh), real or personal, corporal or incorporeal, material or intellectual, present, future or contingent, including but without being limited to all assets, lands, buildings, plant and machinery, furniture and fittings, other fixed assets, current assets, receivables (whether in Indian Rupee or foreign currency), credits, investments, reserves, provisions, funds, and all utilities including electricity, telephones, facsimile connections, installations and utilities, benefits or agreements and arrangements, powers, authorities, allotments, approvals, authorizations, tenancies in relation to the offices and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, trade and service names and marks, patents, copyrights and other intellectual property rights of any nature whatsoever, registrations, consents, privileges, liberties, and all the rights, title, interest, benefits, licenses (industrial or otherwise), municipal permissions, incentives and registrations to which the Transferor Company is entitled to in terms of the various statutes and/or schemes of the Union and State Governments including under Himachal Pradesh Ground Water (Regulation and Control of Development and Management) Act, 2005, Excise Act, Sales Tax Act and Wealth Tax Act and benefit of carry forward and set off of accumulated loss, allowance of unabsorbed depreciation, minimum alternate tax credit entitlement, concessions and other benefits and credits to which the Transferor Company is entitled under Income-tax Act and advantages of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company (hereinafter referred to as “**Assets**”) and all secured and unsecured debts (whether undertaken in Indian Rupee or foreign currency) outstandings, liabilities (including contingent liabilities), duties and obligations shall be transferred to and vest in the Transferee Company so as to become on and from the Appointed Date the undertaking of the Transferee Company without any further act, instrument or deed.
 - 4.1.1. Notwithstanding what is stated in Clause 4.1 above, it is expressly provided that such of the Assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall be so transferred by the Transferor Company to the Transferee 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 on such handing over. In terms of this Scheme such transfer shall be effective from the Appointed Date.
 - 4.1.2. In respect of such of the Assets belonging to the Transferor Company other than those referred to in sub-clause 4.1.1 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 vested in the Transferee Company pursuant to the provisions of section 394(2) of the Act .
 - 4.1.3. In relation to those Assets belonging to the Transferor Company, which require separate documents of transfer, if any, the parties will execute the necessary documents, if and when required.
 - 4.1.4. The transfer and vesting of all the Assets of the Transferor Company, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, 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 extend 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 is a party) to any Assets of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security. Similarly, the Transferee Company shall not be required to create any additional security over Assets of the Transferor Company vested in the Transferee Company under this Scheme for any loans, debentures, deposits or other financial assistance already availed by it and/or committed to be availed by it prior to the amalgamation and the charges, mortgages, and/ or encumbrances in respect thereof shall not extend or be deemed to extend or apply to the Assets of the Transferor Company, as the case may be, vested in the Transferee Company under this Scheme.

- 4.1.5. The Assets of the Transferor Company are situated primarily in the State of Himachal Pradesh. The Transferor Company does not have any Assets whatsoever, immovable or movable, in the State of West Bengal.
- 4.2. Upon the coming into effect of this Scheme and on and from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also be transferred to and be deemed to stand transferred to the Transferee Company without any further act, instrument or deed so as to become the debts, liabilities, duties and obligations of the Transferee Company pursuant to the provisions of section 394(2) of the Act. 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 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 (though the Transferee Company may, if it deems appropriate, give notice to the creditors that the debts stand transferred to and assumed by the Transferee Company).
- 4.3. For the removal of doubts, it is clarified that to the extent that there are inter-company loans, deposits, obligations, balances or other outstandings 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 account and records of the Transferee Company 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.
- 4.4. The Transferee Company may at any time after the coming into effect of the Scheme, if so required under the provisions of any law for the time being in force or otherwise at its discretion, execute deeds of confirmation, in favour of secured creditors of the Transferor Company or in favour of any other party as directed by the Transferor Company with regard to any contract or arrangement to which the Transferor Company is a party or any other writings that may be necessary 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 confirmation in writing on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above on behalf of the Transferor Company.
- 4.5. The provisions of this Scheme as they relate to the amalgamation of the Transferor Company with 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.

5. 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 been continued and enforced by or against the Transferor Company, in the absence of the Scheme.

6. CONTRACTS AND DEEDS

- 6.1. All contracts, deeds, bonds, agreements, arrangements, incentives, licenses, permits, consents, registrations, engagements, sales tax deferrals and benefits exemptions, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and other instruments of whatsoever nature to which the Transferor Company is a party 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 or obligee or obligor thereto.
- 6.2. 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 is 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.

7. SAVING OF CONCLUDED TRANSACTIONS

The transfer of the Assets and Liabilities of the Transferor Company under Clause 4 above, the continuance of the Proceedings under Clause 5 above and the effectiveness of contracts, deeds, permits and consents under Clause 6 above, shall not affect any transaction or the 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.

8. EMPLOYEES

- 8.1 All the employees of the Transferor Company in service on the Effective Date shall, on and from the Effective Date, become the employees of the Transferee Company on the same terms and conditions on which they were engaged on the Effective Date without treating it as a break, discontinuance or interruption in service on the said date. Accordingly the services of such employees for the purpose of the said Funds (as defined herein) or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.
- 8.2 With regard to provident fund and gratuity fund or any other special funds or schemes created or existing for the benefit of such employees of the Transferor Company (hereinafter referred to as the "**said Funds**"), upon the Scheme becoming effective, the

Transferee Company shall stand substituted for the Transferor Company in relation to the obligations to make contributions to the said Funds in accordance with the provisions thereof in the respective trust deeds or other documents. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to the said Funds shall become those of the Transferee Company. The dues of the employees of the Transferor Company relating to the said Funds shall be continued to be deposited therein accordingly.

9. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

- 9.1. With effect from the Appointed Date and up to and including the Effective Date:
- 9.1.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its business 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 undertakes to hold the said Assets with utmost prudence until the Effective Date.
- 9.1.2. All the profits or income, taxes (including advance tax and tax deducted at source and fringe benefit tax) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose 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.
- 9.2. 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:
- 9.2.1. except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise or provided by terms of issue of existing securities of the Transferor Company or as have been already issued and allotted after the Appointed Date and on or before the date of approval of this Scheme by the Board of Directors of the Transferor Company; or
- 9.2.2. utilize, subject to Clause 10.1 below, the profits, if any, for any purpose including of declaring or paying any dividend.
- 9.2.3. undertake (i) any material decision in relation to their businesses and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business) (iii) any new business, or discontinue any existing business or change the installed capacity of facilities.
- 9.3. With effect from the date of the Board meeting of the Transferee Company approving the Scheme and upto and including the Effective Date, the Transferor Company shall carry on its business and activities with reasonable diligence, prudence and in the same manner as carried on before and shall not (without the prior written consent of the Transferee Company) undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Undertaking of the Transferor Company or any part thereof except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Company.
- 9.4. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

10. DIVIDENDS

- 10.1. 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. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the Board of Directors of the Transferee Company, as mentioned in Clause 9.2.2 above and in accordance with the applicable laws.
- 10.2. 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.
- 10.3. 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 said 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.

11. ISSUE OF SHARES BY THE TRANSFEE COMPANY

- 11.1. Upon the Scheme coming into effect, and without any further application, act or deed, the Transferee Company shall, in consideration of the amalgamation of the Transferor Company with the Transferee Company, issue and allot to every Equity Shareholder of the Transferor Company holding fully paid-up Equity Shares in the Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date, 3 Equity Shares of Re. 1 each in the Transferee Company credited as fully paid-up with rights attached thereto as hereinafter mentioned (hereinafter referred to as the "**New Equity Shares**") for every 4 Equity Share of Rs.10 each fully paid-up held by such member in the capital of the Transferor Company ("**Share Exchange Ratio**").
- 11.2. In respect of the Equity Shares in the Transferor Company already held in dematerialized form, the New Equity Shares to be issued by the Transferee Company in lieu thereof shall also be issued in dematerialized form with the New Equity Shares being credited to the existing depository accounts of the members of the Transferor Company entitled thereto. Members of the Transferor Company desirous of receiving the New Equity Shares in the Transferee Company in dematerialized form should have their shareholding in the Transferor Company dematerialized on or before the Record Date.
- 11.3. Pursuant to the Scheme, the shares of the Transferor Company held by its Equity Shareholders (both in physical and dematerialized form), shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled. The said Equity Shares of Transferor Company held in physical form shall be deemed to have been automatically cancelled without any requirement to surrender the certificates for shares held by the shareholders of the Transferor Company. The Transferee Company shall take such corporate actions in relation to the Equity Shares of the Transferor Company held in dematerialized form, as may be necessary.
- 11.4. No fractional share shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the Equity Shareholders of the Transferor Company may be entitled on issue and allotment of New Equity Shares in the Transferee Company as above. The Board of Directors of the Transferee Company shall consolidate all such fractional entitlements and thereupon issue and allot New Equity Shares in lieu thereof to any director of the Transferee Company appointed for the purpose who shall hold the New Equity Shares in trust for and on behalf of the

members entitled to such fractional entitlements with the express understanding that such director shall sell the same at such time or times and at such price or prices to such person or persons, as it deems fit. The said director shall distribute such net sale proceeds to the members in the same proportion as their respective fractional entitlements bear to the consolidated fractional entitlements. The director shall be appointed by the Board of Directors of the Transferee Company.

- 11.5. The New Equity Shares in the Transferee Company to be issued to the members of the Transferor Company shall be subject to the Memorandum and Articles of Association of the Transferee Company and the New Equity Shares so issued shall rank pari passu in all respects with the existing Equity Shares in the Transferee Company.
- 11.6. The New Equity Shares of the Transferee Company issued in terms of the Scheme shall, subject to applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) where the existing Equity Shares of the Transferee Company are listed and/or admitted to trading. .
- 11.7. Consequent to and as part of the amalgamation of the Transferor Company with the Transferee Company herein, the Authorised Share Capital of the Transferor Company shall stand merged into and combined with the Authorised Share Capital of the Transferee Company pursuant to the Scheme, without any further act of deed, and without payment of any registration or filing fee on such combined Authorised Share Capital under Section 611 of the Act, the Transferor Company and the Transferee Company having already paid such fees. Accordingly, the Authorised Share Capital of the Transferee Company resulting from the amalgamation of the Transferor Company with the Transferee Company shall be a sum of Rs. 110,00,00,000/- divided into 110,00,00,000 Equity Shares of Re. 1/- each and Clause V of the Memorandum of Association of the Transferee Company and Article 3A of the Articles of Association of the Transferee Company shall stand altered accordingly.
- 11.8. For issue and allotment of the New Equity Shares to the non-resident members of the Transferor Company, the Transferee Company shall, apply for and obtain approvals, if and to the extent required, under the Foreign Exchange Management Act, 1999. It is clarified that the issuance of shares to other shareholders of the Transferor Company shall not be subject to receipt of any such approvals by the Transferor Company and/or the Transferee Company.

12. NO ALLOTMENT OF SHARES TO THE TRANSFEREE COMPANY

Upon the Scheme coming into effect, all Equity Shares which the Transferee Company holds in the Transferor Company (either directly or through nominees) shall stand cancelled without any issue or allotment of New Equity Shares or payment whatsoever by the Transferee Company in lieu of such Equity Shares of the Transferor Company.

13. DISSOLUTION OF THE TRANSFEROR COMPANY

- 13.1. Pursuant to the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up.
- 13.2. Consequently, the name of the Transferor Company shall be struck off from the records of the relevant Registrar of Companies. The Transferee Company shall make necessary filings in this regard.

14. ACCOUNTING TREATMENT

14.1. Accounting Standard 14

- 14.1.1. The amalgamation shall be accounted for in the books of account of the Transferee Company according to the "Pooling of Interests Method" of accounting as per the Accounting Standard (AS) 14, 'Accounting for

Amalgamations' issued by the Institute of Chartered Accountants of India and prescribed by the Companies (Accounting Standards) Rules, 2006 framed under Section 211(3C) of the Act.

- 14.1.2. Accordingly on and from the Appointed Date and subject to the provisions hereof all assets, liabilities and reserves, of the Transferor Company, shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form, including the debit balance in Profit and Loss Account of the Transferor Company as debit balance in Profit and Loss Account of the Transferee Company.
- 14.2. The Transferee Company shall credit to its share capital account, the aggregate face value of the New Equity Shares issued by it pursuant to clause 11.1 of this Scheme.
- 14.3. The net assets of the Transferor Company (assets minus liabilities and reserves) transferred to the Transferee Company, as reduced by the face value of the New Equity Shares issued by the Transferee Company shall subject to the other provisions hereof be credited to Capital Reserve Account of the Transferee Company.
- 14.4. All costs and expenses incurred as per Clause 20 below as well as other costs incidental with the finalization of this Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the above Scheme, shall be charged to Profit and Loss Account with exception of the following cost and expenses, which will be accounted in the books of Transfree Company as under:
- Stamp duty payable, if any, on the basis of value of immovable properties of the Transferor Company transferred to the Transferee Company shall be capitalized in books of the Transferee Company with the said fixed assets in accordance with Accounting Standard – 10 "Accounting of Fixed Assets".
- 14.5. In case of any difference 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 accordance with Accounting Standard (AS) 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies', in the books 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.
- 14.6. Upon coming into effect of this Scheme, to the extent that there are inter company loans, advances, deposits, balances or other obligations as between the Transferor Company and the Transferee Company, the obligation in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company.

15. REDUCTION OF SECURITIES PREMIUM ACCOUNT OF TRANSFEE COMPANY

- 15.1. The investment of the Transferee Company in the shares of the Transferor Company was acquired by the Transferee Company at a premium to the face value of the shares. Upon cancellation of such investment consequent to the amalgamation as provided in clause 12 above, the carrying amount thereof in the books of the Transferee Company shall stand reduced accordingly and the difference between such carrying amount and the aggregate face value of such shares of the Transferor Company held by the Transferee company shall be adjusted against the Securities Premium Account of the Transferee Company. Further, consequent to clause 14, the debit balance in Profit and Loss Account shall also be adjusted against the Securities Premium Account of the Transferee Company. Such adjustments against the Securities Premium Account of the Transferee Company shall be effected as an integral part of this Scheme pursuant to Sections 391 and 394 read with Sections 78 and 100 of the Act and for giving effect to such adjustments, procedure under Sections 78 and 100 of the Act would not have to be followed or complied with separately. Further, the adjustments do not involve

either diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the Act are not applicable to the same.

16. APPLICATIONS

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary applications to the Hon'ble High Court of Himachal Pradesh at Shimla and the Hon'ble High Court at Calcutta respectively, for sanctioning this Scheme pursuant to sections 391 to 394 and other applicable provisions of the Act and for an order or orders for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up. The Transferor Company and the Transferee Company shall also apply for such other approvals as may be necessary in law, if any, for bringing any provisions of this Scheme into effect. Further, the Transferor Company and the Transferee Company shall be entitled to take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

17. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

- 17.1. The Transferor Company and the Transferee 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 consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them for any reason whatsoever, including due to change in law. The Transferor Company and the Transferee 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 all such steps as may be necessary, desirable or proper to give effect to the Scheme or resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- 17.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Company and the Transferee Company may give and are hereby authorized to determine to take all such steps and give all such directions as are necessary including directions dealing with the approvals required to be taken and directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on the Transferor Company and the Transferee Company, in the same manner as if the same were specifically incorporated in this Scheme.

18. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS AND EFFECTIVE DATE OF SCHEME

- 18.1. The Scheme is conditional upon and subject to:
- 18.1.1. Approval of the Scheme by the requisite majority of the respective members and such class of persons of the Transferor Company and the Transferee Company as may be directed by the Hon'ble High Court of Himachal Pradesh at Shimla and the Hon'ble High Court at Calcutta pursuant to the provisions of Section 391(1) of the Act and the provisions of Securities and Exchange Board of India Circular CIR/CFD/DIL/5/2013 dated 4 February 2013 and Circular CIR/CFD/DIL/8/2013 dated May 21, 2013 (as amended from time to time) to the extent considered applicable.
- 18.1.2. The Scheme being sanctioned pursuant to Section 391 of the Act by the Hon'ble High Court of Himachal Pradesh at Shimla and the Hon'ble High Court

at Calcutta on the applications of the Transferor Company and the Transferee Company respectively and orders being passed pursuant to Section 394 of the Act by the said Hon'ble High High Courts for transfer of the Undertaking of the Transferor Company to the Transferee Company and other matters as provided under the said provisions of the Act.

- 18.1.3. Receipt of such other approvals for the carrying on of the Undertaking by the Transferee Company, as identified by the boards of directors of the Transferee company and Transferor Company (or authorised committees thereof).
- 18.2. It is clarified that on the approval of the Scheme by the requisite majority of members of the Transferor Company and the Transferee Company pursuant to Section 391(1) of the Act as aforesaid, it shall be deemed that the said members have also resolved and accorded all relevant consents under any other provisions of the Act to the extent the same may be considered applicable. It is further clarified that there will be no need to pass any separate shareholders' resolution(s) under such other provisions of the Act. Without prejudice to the generality of the foregoing, such single window approval of the shareholders pursuant to Section 391(1) of the Act shall, include approvals under Sections 81(1A) 78, 100 and 149(2A) of the Act to the extent considered applicable.
- 18.3. This Scheme, although to come into operation from the Appointed Date, shall not become effective until the later of the following dates, namely:
- 18.3.1. The last of the dates on which the last of the aforesaid consents, approvals, resolutions and orders as mentioned in Clause 18.1 shall be obtained or passed; or
- 18.3.2. The last of the dates on which all necessary certified copies of orders of the Hon'ble High Court of Himachal Pradesh at Shimla and the Hon'ble High Court at Calcutta sanctioning the Scheme pursuant to sections 391 and 394 of the Act shall be duly filed with the appropriate Registrar of Companies.

The last of such dates shall be the “**Effective Date**” for the purpose of this Scheme.

19. POST SCHEME CONDUCT OF OPERATIONS

Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all Bank Accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions 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 is formally accepted by the Transferor Company and the Transferee Company concerned. Pursuant to the Scheme becoming effective the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income-tax Act, 1961 (including for minimum alternate tax purposes and tax benefits), service tax law and other tax laws, and to claim refunds and/or credits for Taxes paid (including minimum alternate tax), and to claim tax benefits under the said tax laws, and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

20. COSTS

All costs, charges and expenses including stamp duty and registration fee, if any, of any deed, document, instrument or Court's order, including this Scheme, or 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 incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid by the Transferee Company, unless otherwise agreed between the Transferor Company and the Transferee Company.

21. REVOCATION OF THE SCHEME

In the event of any of the said sanctions and approvals referred to in Clause 19 above not being obtained and/ or complied with and/ or satisfied and/ or this Scheme not being sanctioned by the Hon'ble High Court of Himachal Pradesh at Shimla and the Hon'ble High Court at Calcutta and/ or order or orders not being passed as aforesaid before March 31, 2015 or such other date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), 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 withdraw the Scheme with the same consequences, as aforesaid if such boards are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the certified copies of the orders sanctioning the Scheme with any authority could have adverse implication on both/ any of the companies.