

**SCHEME OF ARRANGEMENT
IN THE NATURE OF AMALGAMATION OF
BODAL AGROTECH LIMITED
WITH
BODAL CHEMICALS LIMITED
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956**

This Scheme of Arrangement provides for amalgamation of Bodal Agrotech Limited, with Bodal Chemicals Limited pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 and the relevant Sections of the Companies Act, 2013 read with the applicable rules made thereunder.

PREAMBLE

A. Description of Companies:

1. Bodal Agrotech Limited, The Transferor Company:-

Bodal Agrotech Limited (BAL) is a company incorporated on August 20th 2010 under the provisions of the Companies Act, 1956, with the Registrar of Companies, Gujarat. Its Registered Office is situated at Plot No. 123 & 124, Phase-1, GIDC, Vatva, Ahmedabad 382 445 in the state of Gujarat. It was originally promoted with the objective of manufacturing as well as trading in all kinds of agricultural equipments, fertilizers, pesticides and plant protection chemicals etc; It is currently engaged in the business of manufacturing as well as trading of the Chemicals Product and other salt related product and other products. The company has been a Wholly Owned Subsidiary (WOS) of Bodal Chemicals Limited (BCL).

2. Bodal Chemicals Limited, The Transferee Company :-

Bodal Chemicals Limited (BCL) is a company incorporated on 24th September 1986 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat in the name and style of Dintex Dychem Private Limited. The name of the company was changed to Dintex Dychem Limited vide the certificate dated 12th November 1992 issued by the Registrar of Companies. Vide an order dated 31st day of March 2006, passed by the Hon'ble High Court of Gujarat, Bodal Chemicals Private Limited was amalgamated with Dintex Dychem Limited and the name of the company was further changed to Bodal Chemicals Limited vide the certificate dated 22nd



May 2006. Vide an order dated 7th July 2008 passed by Hon'ble High Court of Gujarat, Milestone Organic Limited was amalgamated with Bodal Chemicals Limited. Its Registered Office is situated at Plot No. 123 & 124, Phase-1, GIDC, Vatva, Ahmedabad 382 445 in the state of Gujarat. It is a listed public limited company and the shares of the Company are currently listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). It is presently engaged in the manufacturing as well as trading in all kinds of dyestuff dyes intermediates and basic and other chemicals etc;

B. Rationale for the Scheme of Arrangement:

It has been realised by the Board of Directors of both the companies that the amalgamation of both these companies shall be helpful to achieve the following objectives:-

- (a) simplify management structure, leading to better administration and a reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (b) simplify shareholding structure and reduce shareholding tiers; and
- (c) direct and indirect tax efficiencies.

C. Operation of the Scheme:

- (a) The amalgamation of the Transferor Company with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date.
- (b) The amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme will be in compliance with the provisions of Section 2(1B) of the Income Tax Act, 1961, such that:
 - (i) all the properties of the Transferor Company, immediately before the amalgamation, shall become the properties of the Transferee Company, by virtue of the amalgamation; and
 - (ii) all the liabilities of the Transferor Company, immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of the amalgamation.
- (c) Since the Transferee Company is the sole shareholder of the Transferor Company, the shares of the Transferee Company in



the Transferor Company will stand cancelled as a result of the amalgamation. No new shares shall be issued by the Transferee Company towards consideration.

- (d) The amalgamation shall imply the transfer and vesting of the entire undertaking of the Transferor Company in the Transferee Company as a going concern.
- (e) Various other matters consequential or otherwise integrally connected herewith, including the reorganization of the capital in form of the consolidation of the Authorised Capital of the Transferor Company and cancellation of the existing share capital of the Transferor Company shall form integral part of the scheme.
- (f) The scheme shall be in compliance with the applicable SEBI guidelines including particularly the recent circulars being CIR/CFD/CMD/16/2015 dated November 30, 2015 and other applicable provisions of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, RBI guidelines as well as FEMA regulations, if applicable.

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meaning given hereunder: -

- (a) "**Act**" means the Companies Act, 1956 as may be applicable, including any statutory modifications, re-enactments or amendments thereof and shall include the relevant and corresponding sections under Companies Act, 2013, as and when the same are made applicable before the effective date of the Scheme.
- (b) "**Appointed Date**" means 1st April 2016 or such other date as may be approved by the High Court of Gujarat at Ahmedabad.
- (c) "**Applicable Laws**" means any statute, notification, bye-laws, rules, regulations, guidelines, Common law, policy code, directives, ordinance, schemes, notices, orders or instructions, laws enacted or issued or sanctioned by any appropriate authority in India including any modifications or re-enactment thereof for the time being in force.



- (d) **"Court"** or **"High Court"**, means Hon'ble High Court of Gujarat at Ahmedabad, as applicable, and shall include the National Company Law Tribunal, if applicable in case of Transferee Company.
- (e) **"Effective Date"** means the last of the dates on which the sanctions / approvals or orders as specified in Clause No. 17 of this Scheme has been obtained and / or filed by the Transferor Company and the Transferee Company with the Registrar of Companies, Gujarat and other Governmental Authorities.
- (f) **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this scheme of amalgamation in its present form as submitted to the High Court at Gujarat and this scheme with such modification(s), as may be made.
- (g) **"The Transferor Company"** means Bodal Agrotech Limited, (BAL) a Company incorporated under the provisions of the Companies Act, 1956, having its Registered Office at Plot No. 123 & 124, Phase-1, GIDC, Vatva, Ahmedabad 382 445 in the state of Gujarat.
- (h) **"The Transferee Company"** means Bodal Chemicals Limited (BCL), a Company incorporated under the provisions of Companies Act, 1956 having its Registered Office at Plot No. 123 & 124, Phase-1, GIDC, Vatva, Ahmedabad 382 445 in the state of Gujarat.
- (i) **"Undertaking"** means and includes the entire business and the whole of the undertakings of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:
- (i) All the assets and properties (whether moveable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Company, whether situated in India or abroad, including, but not limited to manufacturing facilities, land (whether leasehold or freehold), processing plants, plant and machinery, computers, equipment, buildings and structures, offices, residential and other premises, diesel generator sets, stock-in-trade, packing material, raw



materials, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates) including shares or other securities held by the Transferor Company in its subsidiaries, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to lease rights of the Transferor Company), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement, tax losses, cenvat credit entitlement of all kinds, carry forward depreciations, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour



of or held for the benefit of or enjoyed by the Transferor Company, in each case, whether in India or abroad.

- (ii) All agreements, rights, contracts, entitlements, licenses, permits, permissions, consent to establishment issued by the gujarat pollution control board, environment clearance reg. issued by ministry of environment, forests and climate change, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company business activities and operations.
- (iii) All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company.
- (iv) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.
- (v) Rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income-tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.



- (vi) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company under which the assets of the Transferor Company stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Company vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective.
- (vii) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment;
- (viii) All permanent and temporary employees engaged by the Transferor Company at various locations.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act the Securities Contracts (Regulation) Act, 1956 and other applicable laws, rules, regulations, by-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.

2. SHARE CAPITAL

- (a) The Share Capital of BAL, the Transferor Company as per the audited Balance Sheet as on March 31, 2015 is as under:

Authorised	Amount In Rs.
30,00,000 Equity shares of Rs. 10/- each	3,00,00,000
Issued Subscribed & Paid Up	
17,00,000 Equity shares of Rs. 10/- each fully paid up	1,70,00,000



The Transferee Company presently holds 100% of the Issued, Subscribed and Paid Up Equity capital of the Transferor Company, and hence the Transferor Company is the Wholly Owned Subsidiary of the Transferee Company. There is no change in the capital structure of the Company since the aforesaid date.

(b) The Share Capital of BCL, the Transferee Company as per the Audited Balance Sheet as on March 31, 2015 is as under:

Authorised	Amount In Rs.
12,00,00,000 Equity shares of Rs. 2/- each	24,00,00,000
2,50,00,000 Preference Shares of Rs. 10/- each	25,00,00,000
Total	49,00,00,000
Issued Subscribed & Paid Up	
10,91,07,370 Equity shares of Rs. 2/- each fully paid up	21,82,14,740
2,50,00,000 Preference Shares of Rs. 10/- each	25,00,00,000
Total	46,82,14,740

The Company has redeemed all its Preference Shares as on August 6, 2015. Hence, the Issued, subscribed and paid up share capital of the Company as on date stands as under:

Issued Subscribed & Paid Up	
10,91,07,370 Equity shares of Rs. 2/- each fully paid up	21,82,14,740

3. TRANSFER AND VESTING OF UNDERTAKING

Generally

3.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme and, pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, rights, titles and interests and authorities including accretions and appurtenances thereto such as dividends, or other benefits receivable Undertaking of the Transferee Company by virtue of and in the manner



provided in this Scheme.

Transfer of Assets

3.2. Without prejudice to the generality of Clause 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.
- (ii) In respect of such assets owned and belonging to the Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the Act.
- (iii) In respect of movables other than those dealt with in Clause 3.2 (ii) above including without any further act, instrument or deed of to the Transferee Company the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to



each person, debtor, or depositée, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

- (iv) All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Company including in relation to the Undertaking, and all rights and benefits which have accrued to the Transferor Company shall, under the provisions of Section 391 to 394 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.

Transfer of Liabilities

3.3. Without prejudice to the generality of Clause 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the "**Liabilities**") shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to



and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Section. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

- (ii) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (iii) All loans raised or used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferor Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.
- (iv) The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower



as the case may be that pursuant to the High Court sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.

(v) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or borrower that pursuant to the High Court having sanctioned the Scheme, the said person, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company.

(vi) Without prejudice to the provisions of the foregoing Sections and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies, Gujarat to give formal effect to the above provisions, if required.

(vii) It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

3.4. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Section 3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.

3.5. Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded 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 made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

3.6. The amalgamation of the Transferor Company with the Transferee Company will combine the business, activities and operations of the Transferor Company and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax, 1961, including Section 2(1B) thereof or any amendments thereto.

4. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements 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 are subsisting or having effect immediately before the Effective Date, shall continue 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 effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Company will, if necessary, also be a party in order to give formal effect to this clause, if so required or become necessary.

5. LEGAL PROCEEDINGS

(i) Upon coming into effect of this Scheme, all suits, claims, actions and/or proceedings by or against the Transferor Company, arising after the Appointed Date but before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and / or arising by or against the Transferee Company.

(ii) The Transferee Company will undertake to have all legal, judicial or other proceedings initiated and /or to be initiated after the Effective Date by or against the Transferor Company referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferor Company and the Transferee Company shall make relevant applications in that behalf and the Transferor Company and



the Transferee Company shall co-operate with each other in respect of any such legal and other proceedings.

(iii) Upon coming into effect of this Scheme, all suits, claims, actions and/or proceedings by or against the Transferor Company pending on or pertaining to the period prior to the Appointed Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and / or arising by or against the Transferee Company.

6. OPERATIVE DATE OF THE SCHEME

This Scheme though effective from the Appointed Date shall be operative from the Effective Date.

7. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY AND TRANSFEREE COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date, and upto the Effective Date:

- (i) The Transferor Company shall carry on and shall be deemed to have carried on all the business and activities as hitherto and shall be deemed to have held and stood possessed of the undertaking on account of, and for the benefit of and in trust for the Transferee Company.
- (ii) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company shall, for all purposes be treated and be deemed to be accrued as the profits or income or incurred as the expenditure or losses or taxes of the Transferee Company, as the case may be.
- (iii) The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.
- (iv) The Transferor Company shall not vary the terms and conditions and employment of permanent employees of the Company except in the ordinary course of business or with prior written approval of the Transferee Company.
- (v) The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect



of management of the company except in the ordinary course of business.

- (vi) The Transferor Company and the Transferee Company shall co-operate with each other for smooth transfer of the Undertaking from the Transferor Company to the Transferee Company and any director of the Transferor Company and any director of the Transferee Company shall be empowered to give effect to the scheme in all aspects as may be necessary or expedient including settling any question or difficulties arising in relation to the Scheme in such manner as they deem fit to attain the objectives of this Scheme and their decision in this regard shall be final and binding.

It is hereby agreed and clarified that whenever under this Scheme, the approval of the Transferor Company is required to be obtained, it shall be the approval of any one of the directors of the Transferor Company and whenever under this Scheme, the approval of the Transferee Company is required to be obtained, it shall be the approval of any one of the directors of the Transferee Company.

8. CONSIDERATION BY THE TRANSFEE COMPANY

The Transferor Company is the wholly owned subsidiary of the Transferee Company and hence the entire share capital of the company is held by the said Transferee company. Upon the Scheme becoming finally effective, the entire share capital of the Transferor company shall get automatically cancelled/ extinguished. The Transferee Company shall not be required to issue and allot any shares as the Transferee Company and its nominee are themselves the only shareholders of the Transferor Company.

9. ACCOUNTING TREATMENT OF ASSETS, LIABILITIES AND RESERVES OF THE TRANSFEROR COMPANY

- (i) Recognising that the amalgamation is to be considered as an "amalgamation in nature of merger" as defined by paragraph 29 of the Accounting Standard on "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India, AS-14, the accounting treatment in respect of assets, liabilities and reserves of the Transferor Company shall be governed, subject to the provisions of this paragraph, in accordance with what is described in AS-14 as



notified under Section 133 of the Companies Act, 2013, as "the Pooling of Interests Method". Accordingly all the assets and liabilities of the Transferor Company shall be recorded at their respective book values in the books of the Transferee Company.

- (ii) As on the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferor Company be required, the Reserves of the Transferor Company will be merged with the Reserves of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.
- (iii) An amount equal to the balance lying to the credit/ debit of Profit and Loss Account in the books of the Transferor Company shall be credited/ debited by the Transferee Company to its Profit and Loss Account and shall constitute (or reduce, as the case may be) the Transferee Company's free reserves as effectively as if the same were created by the Transferee Company and credited by the Transferee Company out of its own earned and distributable profits.
- (iv) Inter-corporate investments/ deposits/ loans and advances /any other intercompany balances between the Transferee Company and the Transferor Company as on effective date, if any, will stand extinguished and any consequential credit / debit shall be appropriated to Reserve and Surplus Account of the Transferee Company.
- (v) The difference between book value of Assets and book values of liabilities (including Reserves) of the Transferor Company as on Appointed Date shall be credited/ debited by the Transferee Company to its General Reserve/ Goodwill Account as the case may be. General Reserve shall constitute as free reserves for all purposes as if the same was created by the Transferee Company out of its own earned and distributable profits.
- (vi) Further in the case of any difference in accounting policy between the Transferor Company (BAL) and the Transferee Company (BCL), the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve to ensure that the financial



statements of the Transferee Company (BCL) reflect the financial position on the basis of consistency in the accounting policy.

10. EMPLOYEES

- (i) On the Scheme taking effect as aforesaid, all employees of the Transferor Company, shall be engaged by the Transferee Company, without any interruption of service and on such terms and conditions, as are no less favourable than those on which they are currently engaged by Transferor Company.
- (ii) With regard to provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of such employees of Transferor Company, the Transferee Company shall, upon this Scheme becoming effective and with effect from the Appointed Date, stand substituted for Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to the said funds and schemes, in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by Transferor Company for such employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by Transferor Company.
- (iii) The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the permanent employees of the Transferor Company, the past services of such employees with Transferor Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.



11. SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities above and the continuance of proceedings by or against the Transferee Company shall not affect any transaction or proceedings already concluded in the Transferor Company on or 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 its behalf.

12. TAX CREDIT/DUTIES/CESS ETC

- (i) The Transferee Company will be the successor of the Transferor Company. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed by the Transferor Company and the obligations if any for payment of the tax on any assets of the Transferor Company or their erection and / or installation, etc. shall be deemed to have been availed by the Transferee Company or as the case may be deemed to be the obligations of the Transferee Company. Consequently, and as the Scheme does not contemplate removal of any asset by the Transferee Company from the premises in which it is installed, no reversal of any tax credit needs to be made.
- (ii) With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by the Transferor Company including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of the Transferee Company.
- (iii) The Transferee Company is expressly permitted to revise its tax returns including tax deducted at source (TDS) certificates/ returns and to claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Transferor Company as vested with the Transferee Company upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.



13. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the Scheme being effective, the Transferor Company shall be dissolved without winding up upon an order made by the High Court of Gujarat in accordance with the provisions of the Companies Act.

14. CONSOLIDATION OF AUTHORISED CAPITAL AND AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY

(a) Capital Clause:

Upon coming into effect of the Scheme, the Authorised Share Capital of the Transferor Company as mentioned in Clause 2(a) amounting to Rs. 3,00,00,000/-or such amount as may be on the effective date, shall be added to the Authorised Share Capital of the Transferee Company, as on the effective date, without any further act or deed and without any further payment of the stamp duty or the registration fees and Clause V of the Memorandum of Association and Article 5 (a) of the Transferee Company shall be amended accordingly.

(b) It is hereby further provided that the above referred amendment, viz. Change in the Capital Clause shall become operative on the scheme being effective and subject to the requisite resolutions passed at the subsequent Annual General Meeting of the Transferee Company.

15. APPLICATIONS TO THE HIGH COURT

The Transferor Company shall make all applications/petitions under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws to the High Court of Gujarat and the Governmental Authority, as applicable, for sanctioning of this Scheme for carrying this Scheme into effect and obtain all approvals as may be required under law. However, the Transferee Company shall make the requisite application to the High court of Gujarat for seeking dispensation of further proceedings in light of the fact that the Transferor Company is a Wholly Owned Subsidiary of the Transferee Company. It shall undertake the requisite proceedings, if so directed by the High court of Gujarat.

16. MODIFICATIONS, AMENDMENTS TO THE SCHEME

(i) The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may in their full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any



conditions or limitations which the Hon'ble High Court of Gujarat at Ahmedabad or any authorities under the Law may deem fit to approve of or impose and / or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.

- (ii) For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, any of the Directors of the Transferor Company and any of the Directors of the Transferee Company may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.
- (iii) Further any of the Directors of the Transferor Company and any of the Directors of the Transferee Company shall be entitled to modify any of the terms of this Scheme in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.

17. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS

This Scheme is specifically conditional upon and subject to:

- (i) The Scheme being approved by the requisite majority of the respective members and such class of persons of the Transferor Company as may be directed by the High Court;
- (ii) The Scheme being approved by the concerned Stock Exchanges in compliance with the terms of the listing agreement and guidelines issued by Securities and Exchange Board of India and in particular vide Circular CIR/CFD/CMD/16/2015 dated November 30, 2015;
- (iii) The sanction of the Hon'ble High Court of Gujarat at Ahmedabad being obtained under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 or any other Governmental Authorities if so required on behalf of the Transferor Company.
- (iv) The certified copies of the High Court orders referred to in this Scheme being filed with the Registrar of Companies, Ahmedabad, Gujarat, as applicable.
- (v) The requisite consent, approval or permission of the Government Authority or any other statutory authority, which by law may be necessary for the implementation of this scheme.



18. OPERATIVE DATE OF THE SCHEME

This Scheme although to come into operation from the Appointed Date shall not come into effect until the last date viz.:

- (i) The date on which the last of all the consents, approvals, permissions resolutions sanctions and/or orders as are hereinabove referred to have been obtained or passed; and
- (ii) The date on which all necessary certified copies of the order under sections 391 and 394 of the Companies Act, 1956 are duly filed with the Registrar of Companies, Ahmedabad, Gujarat and such date shall be referred to as Effective Date for the purpose of the Scheme All other compliances relating to filing and stamp duty etc. , if applicable shall be done on or after the Effective Date.
- (iii) It is the intention and understanding of the parties hereto that the accounting and commercial effect of the Scheme shall take effect from the Appointed Date despite the Scheme becoming effective from Effective Date under the relevant laws.

19. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

In the event of any of the said sanctions and/or approvals referred to in the scheme above not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court or any other Governmental Authorities and/or the Order(s) not being passed or sanctions not being granted as aforesaid, the Board of the Directors of the Transferor Company and the Transferee company are hereby empowered and authorised to revoke and/or cancel the proposed scheme and to resolve that the scheme be of no effect save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme and or otherwise arise as per Law.

20. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms of this Scheme shall be borne and paid by the Transferee Company.

