

**SCHEME OF AMALGAMATION
OF
APL ENGINEERING SERVICES PRIVATE LIMITED
WITH
AMINES AND PLASTICIZERS LIMITED
AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956**

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context thereof, the following expressions shall have the meaning as under:

- a) AESPL means APL ENGINEERING SERVICES PRIVATE LIMITED, the Transferor Company, incorporated under the Companies Act, 1956, having its registered office at D/6, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai-400 018, Maharashtra.

The Transferor Company was incorporated under the provisions of the Companies Act, 1956, as a private limited company vide Certificate of Incorporation No. U28910MH2008PTC179777 dated 7th March, 2008 issued by the Registrar of Companies, Maharashtra at Mumbai.

Since the Registered Office of the Transferor Company is situated in Mumbai, in the State of Maharashtra, the Transferor Company falls under the jurisdiction of the Hon'ble Bombay High Court at Maharashtra.

- b) APL means AMINES AND PLASTICIZERS LIMITED, the Transferee Company, incorporated under the Indian Companies Act, 1956, having its registered office at Poal And Enclave, C/o. Pranati Builders Private Limited, Principal J. B. Road, Chenikuthi, Guwahati-781 003, Assam.

The Transferee Company was incorporated under the provisions of the Companies Act, 1956, as a Public limited company vide Certificate of Incorporation No. L24229AS1973PLC001446 dated 5th September, 1973 issued by the Registrar of Companies, Assam at Shillong.

Since the Registered Office of the Transferee Company is situated in Guwahati in the state of Assam, the Transferee Company falls under the jurisdiction of the Hon'ble Guwahati High Court at Assam

- c) "The Act" means the Companies Act, 1956 and the Rules made there under.
- d) "The Appointed Date" or "The Transfer Date" means 1st April, 2012.
- e) "The Effective Date" means the date on which a certified copy of the order of the Hon'ble High Courts sanctioning the scheme of amalgamation will be filed with the respective Registrar of Companies i.e., in Maharashtra, Mumbai as well as in Assam, Shillong. However, for the purposes of Income Tax Act, the Effective Date shall be 1st April, 2012.

- f) "The Scheme" means the Scheme of Amalgamation of AESPL with APL, as set out below, or as sanctioned by the Hon'ble Bombay High Court and/or Hon'ble Guwahati High Court, with modifications, if any.
- g) For the purpose of this Scheme, the undertaking of the Transferor Company shall be comprised of:-
- All rights and privileges, powers and authorities, and all properties, movable and immovable, real or corporeal, in possession or reversion, present or contingent, of whatever nature and situated anywhere;
 - All licenses permits, quotas, approvals, rights, claims, leases, tenancy rights and liberties, patents, trade marks, and import quotas held by the Transferor Company or to which the Transferor Company are entitled;
 - All debts, liabilities, duties and obligations of the Transferor Company of all kinds (including liabilities payable to the employees of the Transferor Company and agreed to be taken over by the Transferee Company towards gratuity, pension benefits, provident fund or compensation for voluntary retirement or retrenchment).

2. SHARE CAPITAL

AESPL (Transferor Company)

As per the balance sheet as at 31st March, 2012, the authorized share capital of the Transferor Company is Rs.1,01,00,000/- (Rupees One Crore One Lakhs only) which is divided as follows:

- a) Rs.1,00,00,000/- (Rupees One Crore only) divided into 10,00,000 (Ten Lakhs) equity shares of Rs.10/- (Rupees Ten only) each and
- b) Rs.1,00,000/- (Rupees One Lakh) divided into 10,000 preference shares of Rs.10/- (Rupees Ten Only) each.

The issued, subscribed and paid-up capital of the company is Rs.1,00,00,000/- (Rupees One Crore Only) divided into 10,00,000 (Ten Lakhs) Equity shares of Rs.10/- (Rupees Ten only) each fully paid. [100% Shares are held by APL]

APL (Transferee Company)

As per the balance sheet as at 31st March, 2012, the authorized share capital of the Transferee company is Rs.15,00,00,000/- (Rupees Fifteen Crores only) which is divided into two parts as follows:

- a) Rs.12,50,00,000/- (Rupees Twelve Crores Fifty Lakhs only) divided into 1,25,00,000 (One Crore and Twenty Five Lakhs) equity shares of Rs.10/- (Rupees Ten) each and
- b) Rs.2,50,00,000/- (Rupees Two Crores and Fifty Lakhs only) divided into 2,50,000 (Two Lakhs and Fifty Thousand) preference shares of Rs.100/- each

The issued, subscribed and paid-up capital of the Company is Rs.5,50,20,000/- (Rupees Five Crore Fifty Lakhs Twenty Thousand Only) divided into 55,02,000 (Fifty Five Lakhs Two Thousand only) equity shares of Rs.10/- (Rupees Ten only) each fully paid up.

3. THE SCHEME OF AMALGAMATION

3.1 VESTING OF UNDERTAKINGS

- a) The whole undertakings of the Transferor Company shall, under the provisions of Section 391 and 394 of the Act and pursuant to the Order of Hon'ble Bombay High court and Hon'ble Guwahati High Court, without any further act or deed but subject to the charges affecting the same as on the Effective Date, be transferred to and vested in the Transferee Company so as to become the undertaking and property of Transferee Company from the Appointed Date; Provided that such charge shall not extend to any of the assets of the Transferor Company already owned and held by the Transferee Company.
- b) When the Scheme becomes effective, the items appearing under "Reserves and Surplus" if any in the books of the Transferor Company shall become the corresponding reserves and surplus of the Transferee Company.

3.2 LEGAL PROCEEDINGS

If any suit, appeal, or other proceedings of whatever nature ("the proceedings") by or against the Transferor Company be pending, the same shall not come to an end or effect in any way by reason of the transfer of the undertakings of the Transferor Company, but shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor Company if the Scheme had not been made.

3.3 SAVINGS OF CONCLUDED TRANSACTIONS

The transfer of undertakings under Clause 3.1 of this Scheme and the continuance of the proceedings by or against the Transferee Company under Clause 3.3 of this scheme, shall not affect any transaction or proceedings already concluded by the Transferor Company, in the ordinary course of business on or after the Transfer Date to the end and intent that the Transferee Company agrees to be bound by all acts, deeds and things done lawfully and executed by the Transferor Company as having been done or executed on behalf of the Transferee Company.

3.4 CONDUCT OF BUSINESS FROM APPOINTED DATE TILL EFFECTIVE DATE

- a) As from the Appointed Date, the Transferor Company shall be deemed to have carried on and to be carrying on its business on behalf of and in trust for the Transferee Company until such time that the amalgamation becomes effective in terms of the Scheme, and shall carry on the business of the Transferor Company respectively until the amalgamation becomes effective, with utmost prudence and shall not without concurrence of the Transferee Company alienate, charge or otherwise deal any of the property or assets of the Transferor Company, except in the ordinary course of business.
- b) From the Appointed Date and to the Effective Date, all the profits and incomes accruing or arising to the Transferor Company or expenditure and

losses incurred or arising by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as profits or income or expenditure or losses, as the case may be of the Transferee Company.

3.5 CONTRACT, DEEDS AND OTHER INSTRUMENTS

Subject to the other provisions of this Scheme, all lawful contracts, deeds, bonds, agreements and other instruments of any nature to which the Transferor Company is party and subsisting or having effect immediately before the amalgamation, shall be effective against or in favor of the Transferee Company and may be enforced as a fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party to it.

3.6 STAFF, WORKMEN AND EMPLOYEES

- a) All employees of the Transferor Company on the Effective Date, shall, as from that date become the employees of the Transferee Company and their services shall not be treated as interrupted by the vesting of the undertakings of the Transferor Company in the Transferee company under the Scheme and that the terms and conditions of service applicable to them immediately after the Effective Date shall not be in any way less favorable to them, than those applicable to them immediately before the Effective Date.
- b) When the Scheme becomes effective, in respect of provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of the employees of the Transferor Company, the Transferee Company shall be substituted for the Transferor Company for all purposes relating to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Schemes or Funds according to the terms provided in the respective Trust Deeds or other documents. All the rights, duties, powers and obligations of the Transferor Company in relation to such Schemes or Funds shall become those of the Transferee Company. The services of the employees of the Transferor Company shall be treated as being continuous for the purposes of the aforesaid Schemes or Funds.

3.7 ISSUE OF SHARES BY TRANSFEREE COMPANY

Since the Transferor Company is wholly owned subsidiary of the Transferee Company, no shares will be issued by the Transferee Company pursuant to this Scheme.

3.8 REORGANISATION OF CAPITAL OF TRANSFEREE COMPANY

- a) Upon the Scheme becoming effective, the entire issued share capital and the share certificates of the Transferor Company shall automatically stand cancelled.
- b) Cross holding of shares between the Transferor Company and the Transferee Company on the appointed date, if any, shall stand cancelled. Approval of this Scheme by the Shareholders and/or Creditors of the Transferor and the Transferee Companies, as the case may be, and sanction

by the High Court under section 391 and 394 of the Companies Act, 1956, shall be sufficient compliance with the provisions of sections 100 to 104 of the Company Act, 1956, Rule 85 of the Company (Court) Rules, 1959, and other applicable provisions, if any, relating to the reduction of share capital on cancellation of cross holding, if any.

- c) Upon the Scheme becoming effective, the authorized capital of the Transferor Company shall be added to and shall form part of the authorized capital of the Transferee Company. Accordingly, the authorized capital of the Transferee Company shall stand increased to that extent without payment of any fees or charges to the Registrar of Company and / or to any other government authority.
- d) Upon the Scheme becoming effective, the Main Objects of the Memorandum of Association of the Transferor Company shall form part of the Main Objects of the Memorandum of Association of the Transferee Company.

3.9 ACCOUNTING TREATMENT

Upon the Scheme becoming effective, amalgamation of the Transferor Company with the Transferee Company will be accounted in the following manner:

- a. The amalgamation shall be an 'amalgamation in the nature of merger' as defined in the Accounting Standard (AS) 14 as prescribed under the Companies (Accounting Standards) Rules, 2006, and shall be accounted for under the 'pooling of interests' method in accordance with the said AS-14.
- b. Accordingly, all the assets and liabilities recorded in the books of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at the respective book values as reflected in the books of the Transferor Company as on the Appointed Date.
- c. Inter-company balances, if any, will stand cancelled.
- d. All the losses of the Transferor Company shall be set off against the profits of the Transferee Company.
- e. All the reserves of the Transferor Company under different heads shall become the corresponding reserves of the Transferee Company. Similarly, balance in the Profit & Loss Accounts of the Transferor and Transferee Company will also be clubbed together.
- f. In terms of the provisions of the Accounting Standard 14, any surplus arising out of Amalgamation shall be credited to the Capital Reserve/General Reserve in the books of the Transferee Company. In case any deficit, the same shall be first adjusted from the Capital Reserve/General Reserve Account and any balance left shall be debited to the Goodwill Accounts in the books of the Transferee Company. Goodwill account so created, if any, will be amortized over a period of 10 (ten) years.
- g. Accounting policies of the Transferor Company will be harmonized with that of the Transferee Company following the amalgamation.

3.10 APPLICATION TO HIGH COURT

On the Scheme being agreed to by the requisite majorities of the members of the Transferor Company and of the members of the Transferee company, as soon as possible, shall respectively apply to the Hon'ble Bombay High Court and Hon'ble Guwahati High Court at their respective Judicature for:-

- Obtaining sanction to this Scheme of Amalgamation under Section 391 of the Act;
- An Order or Orders under Section 394 of the Act to carry out this Scheme;
- The dissolution of the Transferor Company without winding up; and
- Any Order or Orders that may be necessary and appropriate under the Act.

3.11 CONDITIONALITY OF SCHEME

This Scheme, although it is to come into operation from the Appointed Date, shall not become effective until the date on which the certified copies of the Orders under Sections 391 and 394 of the Act are filed with the respective Registrars of Companies for both companies as per their States jurisdiction.

3.12 MODIFICATIONS/AMENDMENTS TO THE SCHEME

- a) Transferor Company by their Directors or its Committee thereof ("Committee") and Transferee Company by their directors or its Committee in their full and absolute discretion may apply for any modification(s) or amendment(s) in this Scheme which the High Court or such other Appropriate Authority may deem fit to sanction/direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme.
- b) The Directors or its Committee of the Transferor Company and Transferee Company are hereby authorized to give assent to any modification(s) or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever. The implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Committees, who are hereby authorised to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any orders of the High Court or of any directive or orders of any other Appropriate Authorities or otherwise howsoever arising out of under or by virtue of this Scheme and/or any matters concerning or connected therewith.

3.13 COSTS, CHARGES AND EXPENSES

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

- 3.14 The Scheme is subject to such approvals as may be required to be obtained by the Transferor Company and the Transferee Company and the Companies shall try to get such approvals, if any, before the Effective Date, however, if any such approval is not secured before the Effective Date, it will have no adverse effect on the Scheme.
- 3.15 To carry out the Scheme, the Board of Directors of the Transferee Company or any committee of directors, is authorized to give such directions as may be necessary or desirable and to settle as they may deem fit, any question, doubt or difficulty that may arise in connection with or in the working of the Scheme and to do all acts, deeds and things necessary for carrying into effect the Scheme.
- 3.16 The copies of the orders of the Hon'ble High Courts sanctioning the Scheme shall be filed by the Transferor Company and the Transferee Company with their respective Registrar of Companies, within one month from the date the Order is received by the Transferor Company and the Transferee Company.
- 3.17 To be effective, the Scheme must be approved by the majority of members and creditors of each of the Transferor Company and the Transferee Company as stated in Section 391 of the Act and the requisite Order or Orders of the Hon'ble High Courts respectively.
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