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Sanco Trans Limited

CIN : L60220TN1979PLC007970
R.O : S.T. TOWER, NN : 24 / 25,
Second Line Beach Road,
Chennai 600 001, INDIA.

EXTRACT OF THE RESOLUTIONS PASSED IN THE MEETING OF THE BOARD OF DIRECTORS OF M/S. SANCO TRANS LIMITED (NO. 07/2017-18) HELD ON SATURDAY, THE 24TH DAY OF FEBRUARY 2018 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT S.T. TOWER. NEW NO. 24 & 25, SECOND LINE BEACH ROAD, CHENNAI – 600 001 AT 03.00 PM

Approval of Amalgamation/Merger:

“RESOLVED THAT the consent of the Board of Directors of the Company be and is hereby accorded for the amalgamation/merger of its Wholly Owned Subsidiary, M/s. Sanco Transport Limited, with the Company, based on the terms and conditions as mutually agreed between the Company and its Wholly Owned Subsidiary Company, M/s. Sanco Transport Limited.”

“RESOLVED FURTHER THAT Mr. V. Upendran, Managing Director and Mr. S. Sathyanarayanan, Deputy Managing Director of the Company, be and are hereby severally authorised to do all acts, deeds and things as may be necessary in order to give effect to the above resolution”

Approval of Scheme of Amalgamation/Merger:

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Compromise, Arrangements and Amalgamations) Rules 2016 and subject to provisions of the Memorandum of Association and Articles of Association of the Transferee and Transferor Companies and subject to the requisite approval of the shareholders/creditors of the Company and the sanction of the National Company Law Tribunal or such other competent authority, as may be applicable, the consent of the Board be and is hereby accorded for the Scheme of Amalgamation (herein after referred to as ‘the Scheme’) between **SANCO TRANSPORT LIMITED** and **SANCO TRANS LIMITED** and their respective shareholders and creditors, with effect from March 01, 2018 (“The Appointed Date”) as per the Scheme of Amalgamation (“Scheme”), as placed before the Board and initialed by the Chairman for the purpose of identification.

FOR SANCO TRANS LIMITED

V. Upendran

“Service And Trust - Part Of Our Tradition” *Managing Director.*

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“RESOLVED FURTHER THAT the draft Scheme for the Amalgamation between **SANCO TRANSPORT LIMITED and SANCO TRANS LIMITED** duly initialed by the Chairman for the purpose of identification, being advantageous and beneficial to the shareholders and the terms thereof being fair and reasonable, be and is hereby approved.”

“RESOLVED FURTHER THAT Mr. V. Upendran, Managing Director and Mr. S. Sathyanarayanan, Deputy Managing Director of the Company be and are hereby severally authorized to take all the necessary steps to: –

- a) Finalize and Settle the draft Scheme of Amalgamation and such documents and declarations as may be required in this regard;
- b) File applications with the National Company Law Tribunal (Tribunal) or Central Government or such other appropriate authority seeking directions as to convening / dispensing with the meeting(s) of the shareholders/creditors of the Company as may be required to give effect to the Scheme;
- c) File applications/petitions for seeking confirmation of the Scheme by the Tribunal or Central Government or such other competent authority;
- d) File affidavits, petitions, pleadings, applications, reports or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to engage Advocates, Chartered Accountants, Company Secretaries and other professionals, as may be necessary and to sign and execute vakalatnama wherever necessary, and to do all acts necessary or incidental to the said proceedings for obtaining confirmation of the Scheme from Tribunal or Central Government and sign and issue public advertisements and notices for the above purposes;
- e) Take all necessary steps for obtaining approval from such other authorities and parties including the SEBI, Stock exchange, shareholders, creditors, banks, financial institutions as the case may be considered necessary, to the said Scheme;

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- f) Make any alterations/ changes to the Scheme as may be expedient or necessary which does not materially change the substance of the Scheme; particularly for satisfying the requirements or conditions imposed by the Tribunal of competent jurisdiction or the Central Government or any other authority;
- g) Sign all applications, petitions, documents, relating to the Scheme or delegate such authority to another person by a valid Power of Attorney;
- h) Settle any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the above resolution; and
- i) To do all further acts, deeds, matters and things as may be necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto.

"RESOLVED FURTHER THAT, Mr. V. Upendran, Managing Director and Mr. S. Sathyanarayanan, Deputy Managing Director of the Company be and are hereby severally authorized to issue certified copy of these resolutions.

//CERTIFIED TRUE COPY//

SANCO TRANS LIMITED

V. Upendran

Managing Director

"Service And Trust - Part Of Our Tradition"

● Container Freight Station (CFS) ● Terminal Operations ● Stevedoring & Break Bulk ● Empty Container Repair ● Public Bonded Warehouse
● Customs Broker ● Warehousing & Distribution ● Transport & Heavy Equipments ● Freight Forwarding (Air/Sea) ● Multimodal Transport Operator (MTO)

**SCHEME OF AMALGAMATION
OF
SANCO TRANSPORT LIMITED
WITH
SANCO TRANS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**
**(Under Sections 230 to 232 and other Applicable provisions of the Companies
Act, 2013 and the relevant Rules made thereunder)**

PREAMBLE & RATIONALE TO THE SCHEME

- (A) **SANCO TRANSPORT LIMITED** (hereinafter referred to as the '**Transferor Company**') is a public limited company incorporated on the 20th day of March, 2015 under the Companies Act, 2013, and having its registered office situated at S.T. Tower, New No. 24 & 25, III Floor, Second Line Beach Road, Chennai – 600 001 The Transferor Company is engaged, *inter alia*, in the business of transportation (hereinafter referred to as the '**Business of the Transferor Company**').
- (B) **SANCO TRANS LIMITED** (hereinafter referred to as the '**Transferee Company**') is a Public Listed Company incorporated on the 12th day of October, 1979, under the Companies Act, 1956 under the name of '**Sanco Trans Private Limited**' and subsequently the Company had been converted into a Public Limited Company, and the name of the company was changed to '**Sanco Trans Limited**' on the on the 11th day of March, 1986 vide a fresh certificate of incorporation. The Transferee Company has its registered office situated at S.T. Tower, New No. 24 & 25, II Floor, Second Line Beach Road, Chennai – 600 001. It is engaged, *inter alia*, in the business of Logistics, including transportation (hereinafter referred to as the '**Business of the Transferee Company**').

Certified True Copy
For SANCO TRANS LIMITED

Vhpandan

Managing Director.

(C) The directors of the Transferor Company and Transferee Company have decided to amalgamate the Transferor Company with the Transferee Company in order to ensure better management of the Company as a single unit with focused management capabilities. The directors of the Transferor Company and Transferee Company are of the opinion that the proposed amalgamation of the Transferor Company with Transferee Company will be for the benefit of both the Transferor Company and Transferee Company in the following manner:

- (i) The amalgamation will enable consolidation of the business of the two entities into one entity which will facilitate in focused growth, operational efficiency, integration synergies and better supervision of the business of the group.
- (ii) The amalgamation will enable pooling of resources of the Transferor Company with the resources of the Transferee Company to their advantage, resulting in more productive utilization of said resources, and cost and operational efficiency which would be beneficial to all stakeholders.
- (iii) The amalgamation would facilitate scaling of operations, reduce administrative costs and garner greater visibility in the market.
- (iv) The amalgamation would reduce the layers of shareholding and enable the Transferee Company to hold the assets and business of the Transferor Company directly;
- (v) The amalgamation will also enable smoother implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities. There is no likelihood that interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Amalgamation will not impose any additional burden on the members of the Transferor Company or the Transferee Company

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Managing Director

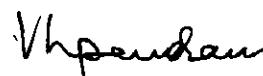
PART I - GENERAL

1. DEFINITIONS

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

- 1.1 **“Act”** means the Companies Act, 2013 and the rules made thereunder and as may be applicable.
- 1.2 **“Amalgamation”** shall have the meaning as defined under Section 2(1B) of the Income Tax Act, 1961.
- 1.3 **“Appointed Date”** means the date from which this Scheme shall become operative viz., 1st March 2018 or any other date as the National Company Law Tribunal may direct or approve under the relevant provisions of the Act.
- 1.4 **“Effective Date”** means the date or last of the dates on which the certified copy of the order of the Tribunal sanctioning this Scheme is filed with the concerned Registrar of Companies by the Transferor Company and the Transferee Company. Any references in this Scheme to “upon the Scheme becoming effective” or “upon the Scheme coming into effect” shall mean the “Effective Date”.
- 1.5 **“NCLAT”** shall mean the National Company Law Appellate Tribunal.
- 1.6 **“Proceedings”** shall have the meaning ascribed to it in Clause 5 hereof.
- 1.7 **“Scheme of Amalgamation”** or **“Scheme”** or **“The Scheme”** or **“This Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) approved, imposed, or directed by the Tribunal under Clause 15 of this Scheme.
- 1.8 **“Shareholders”** means respectively the persons registered as holders of Equity Shares of the Companies concerned.

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Managing Director

- 1.9 **“Transferee Company”** means **“Sanco Trans Limited”**, a company incorporated under the Companies Act, 1956, and having its registered office at S.T. Tower, New No. 24 & 25, II Floor, Second Line Beach Road, Chennai – 600 001.
- 1.10 **“Transferor Company”** means **“Sanco Transport Limited”**, a company incorporated under the Companies Act, 2013 and having its registered office at S.T. Tower, New No. 24 & 25, III Floor, Second Line Beach Road, Chennai – 600 001.
- 1.11 **“Tribunal”** shall mean the National Company Law Tribunal, Chennai as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under sections 230 to 240 of the Companies Act, 2013
- 1.12 **“Tribunal Order”** shall mean the order of the National Company Law Tribunal approving and sanctioning the scheme for the Amalgamation of the Transferor Company and the Transferee Company.
- 1.13 **“Undertaking”** shall mean and include the whole of the Undertaking of the Transferor Company, as a going concern, including their businesses, all secured and unsecured debts, liabilities, duties and obligations together with all present and future liabilities (including contingent liabilities) relating to the Transferor Company and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, permits, quotas, approvals, registrations, accreditations to trade and industrial bodies, incentives, municipal permissions, regulatory permissions, consents or power of every kind, nature and description whatsoever in connection with the operations or relating to the Transferor Company, copyrights, patents, trade names,

SANCO TRANS LIMITED

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Managing Director

trademarks and other rights (including rights under any contracts, government contracts, memoranda of understanding etc.) and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, domain names, industrial designs, trade secrets, technical know-how or intellectual property rights of any nature and any other intangibles, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, minimum alternate tax, fringe benefit tax, taxes withheld at source by or on behalf of the Transferor Company, wealth tax, Goods and Service Tax sales tax, value added tax, turnover tax, CENVAT credit, service tax, etc), Software Licences, Domain / Websites etc., in connection with or relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

- 1.14 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

For SANCO TRANS LIMITED



Managing Director.

2. SHARE CAPITAL AND FINANCIAL POSITION

- 2.1. The Authorized Capital of the Transferor Company as on 31st March, 2017 is Rs.5,00, 000/- (Rupees Five Lakhs Only), consisting of 50,000 Equity Shares of Rs. 10/- each. The Issued, Subscribed and Paid-up capital of the Transferor Company as on 31st March, 2017 is Rs.5,00, 000/- (Rupees Five Lakhs Only), consisting of 50,000 Equity Shares of Rs. 10/- each. Subsequent to 31st March, 2017, there has been no change in the issued, subscribed and paid up capital of the Transferor Company. The Transferor Company is a wholly owned subsidiary of the Transferee Company, and the entire share capital of the Transferor Company is held by the Transferee Company or its nominees.
- 2.2. The Authorized Capital of the Transferee Company as on 31st March, 2017 is Rs. 7,00,00,000/- (Rupees Seven Crores Only), consisting of 70,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid-up capital of the Transferee Company as on 31st March, 2017 is Rs.1,80,00,000/- (Rupees One Crore and Eighty Lakhs Only) consisting of 18,00,000 Equity Shares of Rs. 10/- each. Subsequent to 31st March 2017, there has been no change in the issued, subscribed and paid up capital of the Transferee Company. The shares of the Transferee Company are listed on the Bombay Stock Exchange of India Limited.
- 2.3 The latest financial position of the Transferor Company as on 31st December 2017 is as below:

| Particulars | Amount in Rs. Lakhs |
|------------------------|---------------------|
| Net worth | (501.97) |
| Turnover (Gross Sales) | 719.96 |
| Current Assets | 59.09 |
| Non-Current Assets | 335.45 |

For *BANCO TRANS LIMITED*

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Managing Director.

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|-----------------------|--------|
| Current Liabilities | 485.07 |
| Long Term Liabilities | 411.44 |

2.4 The latest position of the Transferee Company as on 31st December 2017 is as below:

| Particulars | Amount in Rs. Lakhs |
|------------------------|---------------------|
| Net worth* | 9,626.65 |
| Turnover (Gross Sales) | 5,924.74 |
| Current Assets | 2,809.86 |
| Non-Current Assets | 12,263.86 |
| Current Liabilities | 4,277.60 |
| Long Term Liabilities | 1,169.47 |

*Net worth includes Revaluation Reserve

PART II – TRANSFER AND VESTING

3. TRANSFER OF UNDERTAKING

3.1 The Undertaking shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

- (a) With effect from the Appointed Date, the whole of the Undertaking of the Transferor Company comprising their entire business, all assets and liabilities of whatsoever nature and wheresoever situated, including the immovable properties, if any, shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in Sub-clauses (b), (c) and (d) below), be transferred to and vested in and/ or be deemed to be transferred to and

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Managing Director

vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the vesting order passed under Section 230 to 232 and all other applicable provisions, if any, of the Act, in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Company in accordance with the provisions of Section 230 to 232 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

- (b) All movable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Boards of Directors of the Transferor Company and the Transferee Company.
- (c) In respect of movables other than those specified in sub-clause (b) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating third parties shall, to the extent possible, be followed:
- (i) The Transferee Company shall give notice in such form as it may deem fit and proper, to each person, debtor, loanee or depositee as the case may be, that pursuant to the Tribunal having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as

SANCO TRANS LIMITED

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Managing Director

the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realise the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change;

- (ii) The Transferor Company shall also give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositee that pursuant to the Tribunal having sanctioned the Scheme the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realise the same stands extinguished.
- (e) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Company shall also, under the provisions of Section 230 to 232 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and 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, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause. However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of the Transferor Company or in favour of any other party to the contract or arrangement to which the Transferor Company are a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor

THE SANCO TRANS LIMITED

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Director/ Director

Company as well as to implement and carry out all such formalities and compliances referred to above.

- (f) The transfer and vesting of the Undertaking of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company.

Provided however that any reference in any security documents or arrangements (to which any Transferor Company is a party) pertaining to the assets of the Transferor Company offered, or agreed to be offered, as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Undertaking of the said Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that, such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the said Transferor Company or any of the assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company with the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore, after the amalgamation has become operative.

- (g) With effect from the Appointed Date and upon the Scheme becoming effective, all consents, permissions, certificates, permits, quotas, rights,

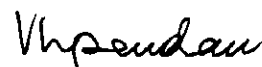
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Managing Director.

entitlements, licences (including software licences), accreditations to trade and industrial bodies, privileges, powers, facilities, authorities (including for operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, quality certifications and approvals, trademarks, patents, industrial designs and trade secrets, product registrations, and other intellectual property and any other intangibles, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible, or having effect immediately before the Effective Date, shall be, and remain in, full force and effect in favour of the Transferee Company, and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary thereto.

- (h) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.
- (i) Loans or other obligations, if any, due between or amongst the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by the Transferor Company, and held by the Transferee Company and vice versa, the same shall, unless sold or transferred by the said Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.
- (j) The Transferor Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right,



Managing Director.

title, interest of immovable property, if any, is given to the Transferee Company.

- (k) Where any of the liabilities and obligations/assets attributed to the Transferor Company on the Appointed Date has been discharged / sold by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge/sale shall be deemed to have been for and on behalf of the Transferee Company. All loans raised and used and all liabilities and obligations incurred by the Transferor Company for operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company, and to that extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company, which shall be liable to meet, discharge and satisfy the same.
- (l) The entitlement to various benefits under incentive schemes and policies in relation to the Undertaking of the Transferor Company shall stand transferred to, and be vested in, and/or be deemed to have been transferred to, and vested in, the Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income-tax, unexpired credit for minimum alternate tax, fringe benefit tax, Credit for income tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax, customs and other and incentives in relation to the Undertaking of the Transferor Company to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Company.

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Managing Director

- (m) Since each of the permissions, approvals, consents, sanctions, remissions (including remittance under income-tax, minimum alternate tax, fringe benefit tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs), special reservations, sales tax remissions, holidays, incentives, grants, subsidies, concessions and other authorizations relating to the Undertaking of the Transferor Company, shall stand transferred under this scheme to the Transferee Company, the Transferee Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.
- (n) From the Effective Date and till such time that the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as may be necessary.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 4.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.
- 4.2 As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company to the Transferee Company,

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whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.

4.3 The Transferee Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.

4.4 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

5. LEGAL PROCEEDINGS

5.1 All suits, actions and proceedings of whatsoever nature by or against the Transferor Company on the Appointed Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by

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Managing Director.

or against the Transferee Company, to the exclusion of the Transferor Company, as the case may be.

- 5.2 If proceedings are taken against the Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till Effective Date, and the latter shall reimburse and indemnify such Transferor Company, against all liabilities and obligations incurred by the said Transferor Company in respect thereof.

6. TRANSFEROR COMPANY STAFF, WORKMEN AND EMPLOYEES

- 6.1 All the executives, staff, workmen, and other employees in the service of the Transferor Company, immediately before the Appointed Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:

- a) Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947;
- b) The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
- c) In the event of retrenchment or termination of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
- d) It is provided that as far as the Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to the employees of the Transferee Company and existing in the Transferee

V. S. Srinivasan

Managing Director

Company for the benefit of the staff, workmen and other employees of the Transferee Company shall also be extended to the employees of the Transferor Company upon the Scheme becoming finally effective. The said benefits shall be extended to the employees of the Transferor Company even if such benefits were not available to the employees during their tenure in the Transferor Company, by virtue of non applicability of the relevant provisions to the Transferor Company. Notwithstanding what is stated herein above in respect of applicability of Employees Provident Fund to the employees of Transferor Company with retrospective effect from a date to be determined by the Board of Directors of Transferee company the extension of benefit to the employees of Transferor Company shall be subject to the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the approvals of the authorities concerned for giving effect to the implementation date. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations, in whatsoever nature, that are available to the employees of the Transferee Company shall also be available to all the employees of the Transferor Company in relation to Provident Fund, Gratuity and Pension and/ or Superannuation Fund or any other special fund, however subject to the provisions of the relevant and applicable statutes.

7. SAVING OF CONCLUDED TRANSACTIONS

- 7.1 The transfer of Undertaking under Clause 3 above, the continuance of the effectiveness of contracts and deeds under Clause 4 above and legal proceedings by or against the Transferee Company under Clause 5 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

BY ORDER OF THE BOARD

V. S. S. S.

Managing Director

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

With effect from the Appointed Date and up to and including the Effective Date:

- 8.1 The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- 8.2 All profits or income or taxes, including but not limited to income tax, minimum alternate tax (including unexpired credit for minimum alternate tax), fringe benefit tax, advance taxes, tax deducted at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, refund, reliefs, etc, accruing or arising to the Transferor Company, or losses arising or expenditure incurred by them, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.
- 8.3 The Transferor Company shall carry on their business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any of their business undertaking(s) or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).
- 8.4 The Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Transferee Company.

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Vhpandau

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- 8.5 The Transferor Company shall not declare any dividend, between the Appointed Date and the Effective Date, without the prior written consent of the Transferee Company.
- 8.6 The Transferor Company, after filing the Scheme with the Tribunal, shall not make any modification to their capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or reorganisation or in any other manner, whatsoever, except by mutual consent of the Boards of Directors of the Transferor Company and of the Transferee Company.
- 8.7 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.
- 8.8 Upon the Scheme coming into effect, any taxes paid under the indirect tax laws such as Goods and Service Tax Act, Service tax Law, Value Added Tax Act (prevalent in respective state) etc. arising out of the transactions entered into amongst the Transferor Company and / or with the Transferee Company post the Appointed date shall on and from the effective date be refunded to the Transferee Company, or in cases where in respect of the inter-company transactions, the Transferor Company/ Transferee Company has availed Input Tax Credit under GST Act, CENVAT Credit / VAT credit of the taxes charged, the Transferee Company at its option may not seek for refund and can choose to retain the same as a Input Tax Credit under GST Act, CENVAT Credit/ VAT credit, subject to the rules and regulations under the respective indirect tax law.

9. CONSIDERATION:

- 9.1 The entire equity share capital of the Transferor Company is held by the Transferee Company and its nominees. Therefore, by virtue of the shareholding pattern, the Transferee Company is the Holding Company and the Transferor Company is the wholly-owned subsidiary. Accordingly,

MANAGING DIRECTOR

V. S. S. S.

Managing Director

pursuant to this Scheme no shares of the Transferee Company shall be allotted to the shareholders of the Transferor Company.

10. CANCELLATION OF THE SHARE CAPITAL OF THE TRANSFEROR COMPANY:

10.1 The entire issued, subscribed and paid up capital of the Transferor Company is held by the Transferee Company and its nominees. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company and the share capital including authorized share capital, issued, subscribed and paid up share capital of the Transferor Company shall stand cancelled.

10.2 Upon the coming into effect of this Scheme, the share certificate, representing the shares held by the Transferee Company and its nominees in the Transferor Company shall be deemed to be cancelled without any further act or deed for cancellation thereof by the Transferee Company.

11. ACCOUNTING TREATMENT

11.1 Upon the scheme becoming effective, the Transferor Company and the Transferee Company under common control, the Amalgamation of the Transferor Company with the Transferee Company shall be accounted by the Transferee Company as per the "Pooling of Interest Method" provided under Appendix C of Ind AS 103, 'Business Combinations' notified under Section 133 of the Act.

11.2 Upon the Scheme coming into effect, all the assets and liabilities of the Transferor Company shall be transferred to and vested in the Transferee Company and shall be recorded at their respective book values. No adjustment shall be made to the carrying amounts of assets and liabilities as reflected in the books of Transferor Company on the Appointed Date, to reflect fair values or recognize any new assets or liabilities including any new deferred tax assets or liabilities. All reserves of the Transferor Company are deemed to be carried forward and shall be recorded in the books of the

V. S. Srinivasan

V. Srinivasan

Managing Director

Transferee Company in the same form in which they appeared in the books of the Transferor Company as on the Appointed Date except the balance of the retained earnings appearing in the financial statements of the Transferor Company is aggregated with the corresponding balance appearing in the General Reserve of the Transferee Company in accordance with Paragraph 11 of Appendix C of Ind AS 103 – Business Combinations . The carrying amount of the Transferee Company of its investment in the shares of the Transferor Company, which shall stand cancelled in terms of this scheme,

- 11.3 To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- 11.4 In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies, as may be directed by the Board of Directors of the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 11.5 Upon the Scheme coming into effect, the accounts of the Transferee Company, as on the Appointed Date shall be reconstructed with the terms of the Scheme.

12. CONSEQUENTIAL MATTERS RELATING TO TAX

- 12.1 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, credits, pertaining to any income tax , advance tax, service tax, including refunds or claims pending with the Revenue Authorities and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses

and unabsorbed depreciation including in respect of income-tax subject to the provisions of Section 72A of the Income Tax Act, 1961, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims and accumulated losses and unabsorbed depreciation of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its Income tax returns, Sales tax returns, Excise & Cenvat returns, service tax returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme. Also, the loss brought forward and unabsorbed depreciation as per books of accounts of Transferor Company as on the Appointed Date would be deemed to be loss brought forward and unabsorbed depreciation as per books of accounts of the Transferee Company. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company.

Provided further that upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Certificates, including TDS Certificates relating to transactions between the Transferor Company and the Transferee Company and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

- 12.2 In accordance with the Cenvat Credit Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties / service tax / VAT paid on inputs/capital goods/ input services lying in the accounts of the Undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty/ service tax payable by it.

V. S. Srinivasan

Managing Director

- 12.3 In accordance with the State Value Added Tax/ sales tax, Goods and Service Tax laws, as are prevalent on the Effective Date, the unutilized credits, if any, relating to VAT/GST paid on inputs/capital goods lying in the accounts of the Undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the VAT/ CST/GST payable by it.
- 12.4 Upon the Scheme coming into effect, any taxes paid under the indirect tax laws such as Service tax Law, Value Added Tax Act (prevalent in respective state) etc. arising out of the transactions entered into between the Transferor Company and the Transferee Company post the Appointed date shall on and from the effective date be refunded to the Transferee Company, or in cases where in respect of the inter-company transactions, the Transferor Company / Transferee Company has availed CENVAT Credit / VAT credit of the taxes charged, the Transferee Company at its option may not seek for refund and can choose to retain the same as a CENVAT Credit / VAT credit, subject to the rules and regulations under the respective indirect tax law.
- 12.5 The Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) of the Income-Tax Act, 1961. 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 reasons 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.
- 12.6 Upon the Scheme coming into effect, the Transferee Company shall make and file all necessary applications, documents and adhere to all statutory

compliances as may be applicable and necessary laid down under the relevant Central or State laws, regulations, rules in order to facilitate the implementation of the Scheme of Amalgamation.

PART III – GENERAL TERMS AND CONDITIONS

13. APPLICATION TO THE TRIBUNAL

13.1. The Transferor and Transferee Company (if necessary) shall, with reasonable despatch, apply to the Tribunal for necessary orders or directions for holding meetings of the members and creditors of the Transferor Company / Transferee Company (if necessary) for sanctioning this Scheme of Amalgamation under Sections 230 to 232 and other applicable provisions of the Act or for dispensing the holding of such meetings and orders under Section 232 of the Act, for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

13.2 The Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) of the Income- tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the 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 reasons 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.

14. DISSOLUTION OF TRANSFEROR COMPANY

14.1 Subject to an order being made by the Tribunal under Section 232 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

15. MODIFICATIONS / AMENDMENTS TO THE SCHEME

15.1 The Transferor Company and the Transferee Company through their respective Boards of Directors including Committees of Directors or other persons, duly authorized by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the Tribunal or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without process of winding up as they may consider necessary, to settle any doubt, question or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this scheme into effect.

15.2 If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any Part or provision of this Scheme hereof is invalid, ruled illegal by any Tribunal of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part or provision.

FOR AND ON BEHALF OF TRANSFEROR COMPANY

Vhpandav

Managing Director

16. DATE OF TAKING EFFECT

16.1 The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunal shall be effective from the Appointed Date but shall be operative from the Effective Date.

17. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to the following -

17.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

17.2 The approvals, if any or as may be applicable, under the Securities and Exchange Board of India circular no. CFD/DIL3/CIR/2017/21 dated 10th March 2017 and circular no. CFD/DIL3/CIR/2018/2 dated 3rd January 2018.

17.3 The Scheme being agreed to by the respective requisite majorities of the members and creditors of the Transferor Company or the Transferee Company (if necessary on the directions of the Tribunal), if meetings of members and creditors of the said companies are convened by the Tribunal or dispensation being granted by the Tribunal, and the sanction of the Tribunal being accorded to the Scheme.

17.4 The sanction by the Tribunal under Sections 230 to 232 and other applicable provisions of the Act being obtained by the Transferor Company and the Transferee Company.

17.5 The filing with the Registrar of Companies, Chennai, of certified copies of all necessary orders, sanctions and approvals mentioned above by the respective Company.

FOR THE TRIBUNAL

V. Srinivasan

MEMBER

18. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

18.1 In the event of the Scheme not being sanctioned by the Tribunal and/or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights 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 the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

19. EXPENSES CONNECTED WITH THE SCHEME

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

Certified True Copy
of JAFCO TRANS LDM. L.L.B.

Vhpandan
Managing Director.