

**SCHEME OF AMALGAMATION**  
**OF**  
**GAUSS NETWORKS PRIVATE LIMITED**  
**("GAUSS" OR "THE TRANSFEROR COMPANY")**  
**WITH**  
**DELTA CORP LIMITED**  
**("DCL" OR "THE TRANSFeree COMPANY")**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

---

**(A) PREAMBLE**

The Scheme of Amalgamation is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent notified and applicable, and as amended from time to time) for amalgamation of Gauss Networks Private Limited with Delta Corp Limited. This Scheme also provides for various other matters consequential to amalgamation or otherwise integrally connected herewith.

**(B)** The Transferor Company is a private limited company incorporated under the Companies Act, 1956, having company identification number U72200MH2013PTC288316, with its registered office at Office No. 115, 1<sup>st</sup> Floor, Bayside Mall, 35-C, Tardeo, Pt. Madan Mohan Malviya Road, Mumbai – 400 034, Maharashtra. The Transferor Company is engaged in the business of developing software for online games of skill.

**(C)** The Transferee Company is a public limited company incorporated under the Companies Act, 1956 having company identification number L65493PN1990PLC058817, with its registered office at 10, Kumar Place, 2408, General Thimayya Road, Pune, Maharashtra - 411001. The Transferee Company is listed on the BSE Limited and National Stock Exchange of India Limited. The Transferee Company is engaged in the gaming and hospitality business.

**(D) RATIONALE FOR THE SCHEME**

The amalgamation of the Transferor Company with the Transferee Company would have the following benefits:

- Integration of operations; and
- Greater financial strength and flexibility for the merged entity.

This Scheme of Amalgamation is divided into the following parts:

**(i) Part A** deals with the definitions and share capital;



- (ii) **Part B** deals with terms of amalgamation of the Transferor Company with the Transferee Company;
- (iii) **Part C** deals with other terms and conditions applicable to this Scheme.



## PART A

### DEFINITIONS AND SHARE CAPITAL

#### 1. DEFINITIONS

In this Scheme of Amalgamation, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956 and the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force. It is being clarified that as on the date of approval of this Scheme of Amalgamation by the Board of Directors of Gauss Networks Private Limited and Delta Corp Limited, sections 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, reference in this Scheme to particular provisions of the Act is reference to the particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such reference shall, be construed as reference to the provisions so re-enacted;
- 1.2 **“Appointed Date”** shall mean April 1, 2016, or such other date as may be mutually agreed between the Transferor Company and the Transferee Company, and approved by the High Court;
- 1.3 **“Board of Directors” or “Board”** means the board of directors of the Transferor Company with the Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- 1.4 **“Court” or “High Court”** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal and the National Company Law Appellate Tribunal 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 Section 230 to 240 of the Companies Act, 2013;
- 1.5 **“Effective Date”** means the date on which the certified copy of the order sanctioning this Scheme of Amalgamation, passed by the High Court of Judicature at Bombay or such other competent authority, as may be applicable, is filed with the Registrar of Companies, Maharashtra;
- 1.6 **“DCL” or “the Transferee Company”** shall have the meaning ascribed to the terms in the Preamble;
- 1.7 **“Gauss” or “the Transferor Company”** shall have the meaning ascribed to the terms in the Preamble;
- 1.8 **“Optionally Convertible Preference Shares”** means the optionally convertible preference shares of face value Rs. 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each issued by the Transferee Company on terms and conditions set out in Schedule I;



- 1.9 “**Preference Shares**” means the Optionally Convertible Preference Shares and the Redeemable Preference Shares;
- 1.10 “**Redeemable Preference Shares**” means the redeemable preference shares of face value Rs. 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each issued by the Transferee Company on terms and conditions set out in Schedule I;
- 1.11 “**Scheme**” or “**the Scheme**” or “**this Scheme**” means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 14 of this Scheme as approved or directed by the High Court or such other competent authority, as may be applicable;
- 1.12 “**Stock Exchanges**” means BSE Limited and the National Stock Exchange of India Limited;
- 1.13 “**Subsidiary**” means Gaussian Networks Private Limited;

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, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income Tax Act, 1961, but shall be operative from the Effective Date.

## 3. SHARE CAPITAL

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

Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b>	
420,500,000 Equity Shares of Rs. 1/- each	420,500,000
1,000,000 10% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	10,000,000
13,000,000 8% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	130,000,000
<b>Total</b>	<b>560,500,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
230,664,104 Equity Shares of Rs. 1/- each fully paid up	230,664,104
<b>Total</b>	<b>230,664,104</b>

The shares of the Transferee Company are currently listed on the Stock Exchanges. Subsequent to March 31, 2016, the Company has allotted 2,80,000 Equity Shares on August 16, 2016 and 2,00,000 Equity Shares on August 22, 2016 pursuant to employee stock option scheme. The authorised, issued, subscribed and paid-up share capital of the Transferee



Company as on August 30, 2016 is as under:

Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b>	
420,500,000 Equity Shares of Rs. 1/- each	420,500,000
1,000,000 10% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	10,000,000
13,000,000 8% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each	130,000,000
<b>Total</b>	<b>560,500,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
231,144,104 Equity Shares of Rs. 1/- each fully paid up	231,144,104
<b>Total</b>	<b>231,144,104</b>

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

Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b>	
60,000 Equity Shares of Rs 10/- each	600,000
20,000 Preference Shares of Rs 10/- each	200,000
<b>Total</b>	<b>800,000</b>
<b>Issued, Subscribed &amp; Paid up Capital</b>	
40,248 Equity Shares of Rs. 10/- each, fully paid up	402,480
10,753 Compulsorily Convertible Preference shares of Rs. 10/- each	107,530
<b>Total</b>	<b>510,010</b>

Subsequent to 31<sup>st</sup> March, 2016, there is no change in the issued, subscribed and paid up capital of the Transferor Company.



**PART B**  
**AMALGAMATION OF GAUSS NETWORKS PRIVATE LIMITED**  
**WITH DELTA CORP LIMITED**

**4. TRANSFER AND VESTING OF UNDERTAKING**

- 4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire business and whole of the undertaking of the Transferor Company including:
- 4.1.1 all its properties and assets, (whether movable or immovable, tangible or intangible), land and building, leasehold assets and other properties, real, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, whether situated in India or abroad, including, without limitation, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), investment in its Subsidiary, cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, vehicles, share of any joint assets, 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, easements, privileges, liberties and advantages of whatsoever nature and whosoever 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, whether in India or abroad;
- 4.1.2 all the debts, liabilities, duties and obligations of the Transferor Company of every description, raised, incurred or utilized, whether secured or unsecured, whether in Indian Rupees or foreign currency;
- 4.1.3 all licenses, permits, authorizations, rights, entitlements, and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, subsidies, benefits and approvals, advance and other taxes paid to the authorities, lease, tenancy rights, statutory permissions, consents and registrations, all rights or titles or interest in properties by virtue of any court decree or order, benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits, minimum alternate tax, etc, service tax, sales tax / value added tax and / or any other consents, approvals or powers of every kind and description;



- 4.1.4 all trade and service names and marks, patents, copyrights, brand names, domain names, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company,

shall, pursuant to the Order of the High Court and pursuant to provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be transferred and/or be deemed to be transferred to and vested in the Transferee Company on a going concern basis so as to become the assets of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company and Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date.

- 4.2 Without prejudice to the generality of Clause 4.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

- (a) Subject to the provisions of this Scheme, the entire business and the undertaking of the Transferor Company including all debts, liabilities, duties and obligations of the Transferor Company of every description and without limitation, all the movable properties and assets of the Transferor Company comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, permits, authorizations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and liabilities of the Transferee Company .
- (b) Without prejudice to the provisions of Clause 4.2. (a) above, in respect of such assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the undertaking, without requiring any separate deed or instrument or conveyance for the same.
- (c) In respect of movables other than those dealt with in Clause 4.2 (b) above including sundry debtors, bills, loans and advances and other current assets, if any, whether receivable in cash or kind or for the value to be received, bank balances, investments, etc., 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 or depositors or any person, as the case may be so that the said debt, loan, advance, investment, etc stands transferred and vested in the Transferee Company.



- (d) In relation to the assets belonging to the Transferor Company, which require separate documents of transfer, if any, the Transferor Company and/or the Transferee Company will execute the necessary documents, as and when required.
  - (e) Any statutory licenses, registrations, incentives, tax credits, tax refunds, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents relating to and or held by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date shall stand vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company pursuant to this Scheme. The various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person, or enjoyed and availed of by the Transferor Company shall vest with and be available to the Transferee Company on the same terms and conditions.
  - (f) All debts, liabilities, duties and obligations of every kind, nature and description pertaining to the Transferor Company shall also without any further act or deed, be transferred to or deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, 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, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.3 All taxes of any nature, duties, cess or any other like payments or deductions made by the Transferor Company to any statutory authorities such as Income Tax, Sales Tax, Value Added Tax, Service Tax etc. or any tax deduction/collection at source, relating to the period after the Appointed Date and upto the Effective Date shall be deemed to have been on account of and on behalf of the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the coming into effect of this Scheme and upon relevant proof and documents being provided to the said authorities.
- 4.4 The Transferee Company shall be entitled to file/revise its income tax returns, TDS certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of all taxes paid/withheld (whether Indian or foreign), if any, as may be required consequent to implementation of this Scheme.

## **5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 5.1 Upon the coming into effect of this Scheme and with effect from Appointed Date and subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, arrangements, assurances 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 and may be enforced as





fully and effectually as if instead of the Transferor Company, the Transferee Company had been the party or beneficiary or obligee thereof.

- 5.2 Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the assets and liabilities occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, if so required or on becoming necessary, enter into and / or issue and / or execute deeds, writings or confirmation in order to give formal effect to the provisions of this Scheme. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

## **6. STAFF, WORKMEN AND EMPLOYEES**

- 6.1 On the Scheme becoming effective, staff and employees, if any, of the Transferor Company in service on the Effective Date, shall be deemed to have become staff and employees of the Transferee Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favorable than those subsisting as on the said date.
- 6.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, pension fund, superannuation fund or any other special fund or trusts (hereinafter referred to as "**Fund**" or "**Funds**") created or existing for the benefit of the staff, workmen and employees of the Transferor Company, if any, shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

## **7. LEGAL PROCEEDINGS**

If any suit, appeal or other legal proceedings of whatever nature (including before any statutory or quasi-judicial authority or tribunal) is pending by or against the Transferor Company on or before the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.



## 8. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

- 8.1 With effect from the Appointed Date and upto and including the Effective Date:
- 8.1.1 the Transferor Company shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the business for and on account of and for the benefit of and in trust for the Transferee Company;
- 8.1.2 all the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred by the Transferor Company, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or income or expenditure or losses of the Transferee Company, as the case may be;
- 8.1.3 any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
- 8.1.4 all taxes (including, without limitation, income tax, sales tax, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- 8.2 With effect from the date of approval of this Scheme by the Board of Directors of the Transferor Company and the Transferee Company and upto and including the Effective Date:
- (a) the Transferor Company shall conduct its business and that of the Subsidiary in the ordinary and normal course, consistent with past practice and existing policies, save in so far as otherwise agreed in writing by the Transferee Company, and materially comply with all applicable laws affecting such business and operations;
- (b) the Transferor Company shall carry on its business and activities, and that of its Subsidiary, with diligence, business prudence and shall not without the prior written consent of the Transferee Company, (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business; (ii) undertake any new business or substantially expand its existing business; or (iii) undertake any other activities that have been agreed between the Transferee Company and the Transferor Company to be undertaken only with prior consent of the Transferee Company.



- (c) the Transferor Company shall not alter its, or its Subsidiary's, capital structure either by fresh issue of any securities, including any kind of shares or convertible/ non-convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner, except by and with the consent of the Transferee Company; and
- (d) the Transferor Company shall not declare or pay any dividends, whether interim or final, to their shareholders in respect of the accounting period prior to the Effective Date, except with the prior approval of the Transferee Company.

## 9. SAVING OF CONCLUDED TRANSACTIONS

- 9.1 The transfer and vesting of the undertaking, and the continuance of legal proceedings by or against the Transferor Company, in accordance with the Scheme shall not affect any transaction or proceedings already concluded by 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 behalf of itself.

## 10. ISSUE OF SHARES

- 10.1 Upon this Scheme becoming effective and upon amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any application or deed, issue and allot Optionally Convertible Preference Shares and Redeemable Preference Shares credited as fully paid up, to the extent indicated below, to the members of Transferor Company holding fully paid-up equity shares of Transferor Company and whose names appear in the register of members of the Transferor Company as on the Effective Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company in the following proportion:
  - (a) 3,000 (Three Thousand) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted to each of Mr. Mohit Aggarwal and Mr. Anuj Gupta respectively (shareholders of the Transferor Company).
  - (b) 1 (One) fully paid up Optionally Convertible Preference Shares of Rs. 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted for every one fully paid up equity share of Rs.10 held in the Transferor Company.
  - (c) 1 (One) fully paid up 1% Redeemable Preference Shares of Rs. 21,667 (Twenty One Thousand Six Hundred and Sixty Seven) each of the Transferee Company shall be issued and allotted for every one fully paid up equity share of Rs.10 held in the Transferor Company.



The key terms and conditions for the Optionally Convertible Preference Shares and Redeemable Preference Shares to be issued pursuant to above Clause are specified in Schedule I hereto.

- 10.2 Notwithstanding anything contained in Clause 10.1, upon the Scheme becoming effective:
- (a) all the shares held by Transferee Company in the Transferor Company shall stand automatically cancelled and there shall be no further obligation in that behalf; and
  - (b) no shares shall be issued by the Transferee Company in respect of fractional entitlements, if any, to any member of the Transferor Company and the any fractional entitlements shall stand automatically cancelled and there shall be no further obligation in that behalf.
- 10.3 The Preference Shares to be issued to the shareholders of the Transferor Company as above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu with the existing preference shares of the Transferee Company, if any.
- 10.4 The Preference Shares of the Transferee Company shall be issued in dematerialized form to the shareholders of the Transferor Company, in to the account with the Depository Participant intimated in writing by the shareholders of the Transferor Company to the Transferee Company.
- 10.5 The Board of Directors of the Transferor Company and the Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned government/regulatory authorities for the issue and allotment of Preference Shares to the shareholders of the Transferor Company pursuant to Clause 10.1 of the Scheme.
- 10.6 Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be the due compliance of the provisions of Section 62 and Section 55 of the Companies Act, 2013 and the other relevant and applicable provisions of the Act and other laws for the issue and allotment of shares by the Transferee Company to the shareholders of the Transferor Company, as provided in this Scheme.
- 10.7 The approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company under Sections 391 to 394 of the Act shall be deemed to have been the approval under Sections 13 and 14 of Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard and upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company. It is clarified that the stamp duties and fees (including registration fee) paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in the authorized share capital to that extent.
- 10.8 The capital clause of the memorandum of association and the articles of association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:



## MEMORANDUM OF ASSOCIATION

*“V. The authorized share capital of the Company is Rs. 56,13,00,000/- (Rupees Fifty Six Crores Thirteen Lakhs only) divided into 421,300,000 equity shares of Rs. 1/- (Rupees One only) each aggregating to Rs. 421,300,000/-, 1,000,000 10% non-cumulative redeemable preference shares of Rs. 10/- each aggregating to Rs. 10,000,000/-, 13,000,000 8% non-cumulative redeemable preference shares of Rs. 10/- each aggregating to Rs. 130,000,000/-, with the rights, privileges and conditions attached thereto with the power to vary, modify or abrogate such rights, privileges and conditions as may be provided by the Articles of Association of the Company for the time being. The Board of Directors shall have the power to classify as and when required the shares as equity or preference shares and attach thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions and also the power to increase or reduce the capital of the Company as may be determined in accordance with the Articles of Association of the Company.”*

## ARTICLES OF ASSOCIATION

*“The authorized share capital of the Company is Rs. 56,13,00,000/- (Rupees Fifty Six Crores Thirteen Lakhs only) divided into 421,300,000 equity shares of Rs. 1/- (Rupees One only) each aggregating to Rs. 421,300,000/-, 1,000,000 10% non-cumulative redeemable preference shares of Rs. 10/- each aggregating to Rs. 10,000,000/-, 13,000,000 8% non-cumulative redeemable preference shares of Rs. 10/- each aggregating to Rs. 130,000,000/-, with the power to increase or reduce such capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.”*

### 11. ACCOUNTING TREATMENT

On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as per the applicable accounting principles prescribed under Indian accounting standards (IND AS) prescribed under the Act.

### 12. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up without any further act or deed.



## PART C

### OTHER TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

#### 13. APPLICATION TO THE HIGH COURT OR SUCH OTHER COMPETENT AUTHORITY

The Transferor Company and the Transferee Company shall make all necessary application and petition under Sections 391 to 394 and other applicable provisions of the Act to the Hon'ble High Court of Judicature at Bombay, for seeking approval of the Scheme and for dissolution of the Transferor Company without winding up.

#### 14. MODIFICATION / AMENDMENT TO THE SCHEME AND GENERAL POWER TO THE BOARD

14.1 The Transferor Company and the Transferee Company with approval of their respective Boards of Directors, may consent, from time to time, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Boards of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the Hon'ble Court or any other authorities under law may deem fit to approve of, to direct and / or impose.

14.2 The Transferor Company and the Transferee Company have the right to modify this Scheme by mutual agreement in writing.

14.3 The Transferor Company and the Transferee Company shall withdraw this Scheme only in accordance with the terms agreed in writing.

#### 15. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- (a) receipt of 'no objection' letter from the Stock Exchanges in terms of the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by the Securities and Exchange Board of India and any amendments thereto including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) the Scheme being approved by the respective requisite majorities of the members and / or creditors of the Transferor Company and the Transferee Company as may be directed by the High Court and/or any other competent authority and it being sanctioned by the High Court and/or any other competent authority, as may be applicable;
- (c) the certified copy of the order of High Court under Sections 391 to 394 of the Act sanctioning the Scheme is filed with the Registrar of Companies having jurisdiction over the Transferor Company and the Transferee Company;



- (d) no business shutdown event or material adverse effect (as agreed between the Transferor Company and the Transferee Company), shall have occurred in relation to the Transferor Company or the Subsidiary; and
- (e) the Transferee Company having acquired 2,501 equity shares and 10,753 compulsorily convertible preference shares of the Transferor Company in accordance with the terms agreed between the Transferee Company and relevant shareholders of the Transferor Company.

#### **16. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS**

- 16.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause 14 not being obtained and/or the Scheme not being sanctioned by the High Court or such other competent authority and/or the Order not being passed as aforesaid before June 30, 2017 or such other date as the Boards of Directors of the Transferor Company and Transferee Company, or any other person authorized by the Boards of Directors of the Transferor Company and Transferee Company respectively, may determine, the Scheme shall become null and void, and 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, liability, or obligations which 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.
- 16.2. In the event of this Scheme failing to take effect or if it becomes null and void no rights and liabilities of whatsoever nature shall accrue to or be incurred *inter-se* to or by the parties to the Scheme or any of them.

#### **17. RESOLUTION**

Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company shall constitute the aggregate of the said limits in the Transferee Company, unless otherwise agreed in any arrangement to which the Transferee Company is subject.

#### **18. COSTS**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

#### **19. SEVERABILITY**

If any part 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 or implementation of the other parts and/or provisions of this Scheme.



**20. ACTION TAKEN BY SEBI / RBI**

Mr. Rakesh Jhunjhunwala, a director of the Transferee Company, was a non-executive director of Maneesh Pharmaceuticals Limited, which is classified as a wilful defaulter by the Reserve Bank of India as of 31<sup>st</sup> March, 2016 and no proceedings were initiated against Mr. Rakesh Jhunjhunwala. Mr. Rakesh Jhunjhunwala has resigned as a director of Maneesh Pharmaceuticals Limited with effect from October 15, 2010 and is no longer associated with Maneesh Pharmaceuticals Limited.

\*\*\*





**SCHEDULE I**  
**TERMS AND CONDITIONS OF RPS**

1.	Dividend	1% (one percent) p.a.
2.	Face value	INR 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven)
3.	Term and Redemption	All RPS shall be compulsorily redeemable at the end of 12 (twelve) months from the date of issuance of the RPS.
4.	Transferability	Each RPS shall be freely transferable at the option of the holder subject to applicable laws.

**TERMS AND CONDITIONS OF OCPS**

1.	Dividend	0.001% p.a. on a non-cumulative basis
2.	Face value	INR 21,667 (Rupees Twenty One Thousand Six Hundred and Sixty Seven)
3.	Terms for conversion	<p>OCPS shall be convertible into equity shares of the Transferee Company at the option of the Transferee Company at the end of 12 (twelve) months from the date of issue of OCPS.</p> <p>Provided that:</p> <p>(a) the term of the OCPS shall be extended to 18 (eighteen) months from the date of issue of OCPS; and / or</p> <p>(b) each OCPS holder shall be issued only 1 (one) equity share of the Transferee Company upon conversion of all the OCPS held by the OCPS holder,</p> <p>on the occurrence of events as agreed between the Transferor Company, the Transferee Company and shareholders of the Transferor Company in writing.</p>
4.	Conversion	<p>If the OCPS are converted, then the conversion price shall be equal to the higher of:</p> <p>(A) the price determined using the pricing methodology provided in Regulation 76(1)(a) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("X"); or</p>



		<p>(B) the price determined using the pricing methodology provided in Regulation 76(1)(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("Y"),</p> <p>each as at the Relevant Date.</p> <p>For the purpose of this conversion, the term 'Relevant Date' shall mean a date thirty days prior to the date of conversion of the OCPS</p> <p>Each OCPS shall convert into such number of equity shares of the Transferee as arrived by dividing the face value of such OCPS by the higher of X or Y.</p> <p>In case of fractional entitlements, all fractional entitlements for a OCPS holder shall be consolidated and the OCPS holder shall be allotted shares equal to such consolidated entitlement. If such consolidated entitlement further includes a fractional entitlement, which exceeds 0.5, such OCPS holder shall be allotted one share for such further fractional entitlement.</p> <p>The Transferee Company will convert only such number of OCPS to be issued pursuant to the Scheme such that post conversion, the Transferee Company is in compliance with the minimum public shareholding requirement, and to the extent OCPS are not converted into equity so as to meet the minimum public shareholding requirement, they shall be redeemed by the Transferee Company as per the terms of OCPS.</p>
5.	Redemption	<p>In case OCPS are not converted into equity shares by Transferee, OCPS will stand redeemable immediately at the end of 12 months from the date of issuance of OCPSs subject to terms agreed between the Transferor Company and the Transferee Company in writing.</p> <p>Provided that: the term of the OCPS shall be extended to 18 (eighteen) months from the date of issue of OCPS on the occurrence of events as agreed between the Transferor Company and the Transferee Company in writing.</p>

