



Registered Office: Sohan Nagar, P. O. Charubeta Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand
Phone : (05943) 250153-57, Fax No. (05943) 250158

COURT CONVENED MEETING OF EQUITY SHAREHOLDERS

Time : 1.00 PM
Day and Date : Monday, 30th September, 2013
Venue : Sohan Nagar, P. O. Charubeta Khatima-262308,
Distt. Udham Singh Nagar, Uttarakhand

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IN THE HIGH COURT OF UTTARAKHAND AT NAINITAL

ORIGINAL JURISDICTION

COMPANY APPLICATION NO. 4 OF 2013

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 100, 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement

BETWEEN

M/s Sriyam Impex Private Limited

AND

Ester Industries Limited

AND

their respective Shareholders and Creditors.

ESTER INDUSTRIES LIMITED, a Company incorporated

under the provisions of the Companies Act, 1956 having its

Registered Office at Sohan Nagar, P.O. Charubeta, Khatima -262308,

Distt. Udham Singh Nagar, Uttarakhand India

within the aforesaid jurisdiction

... Applicant Company/Transferee Company

**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS
OF ESTER INDUSTRIES LIMITED**

To,

The Equity Shareholders of
Ester Industries Limited

TAKE NOTICE THAT by order dated 8th August, 2013 the Hon'ble High Court of Uttarakhand at Nainital (hereinafter referred to as the "**Court**"), has directed separate meetings to be held of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Ester Industries Limited (hereinafter referred to as the "**Applicant/Transferee Company**") for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Arrangement between M/s Sriyam Impex Private Limited and Ester Industries Limited and their respective Shareholders and Creditors (hereinafter referred to as the "**Scheme**").

TAKE FURTHER NOTICE THAT In pursuance of the said order and as directed therein, a meeting of the Equity Shareholders of the Applicant/Transferee Company will be held at Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt Udham Singh Nagar, Uttarakhand, India on Monday, 30th September, 2013 at 1 P.M. at which time and place the said Equity Shareholders of the Applicant/Transferee company, are requested to attend.

TAKE FURTHER NOTICE THAT you may attend and vote at the meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant/Transferee Company at Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt Udham Singh

Nagar, Uttarakhand, India not later than 48 hours before the meeting.

The Hon'ble High Court has appointed Mr. Raj Kishore Shukla, Advocate as the Chairman and Mr. Veer Kunwar Singh, Advocate as Alternate Chairman of the said meeting of the Equity Shareholders of the Applicant/Transferee Company.

The above-mentioned Scheme, if approved in the meeting, will be subject to the subsequent approval of the Court.

A copy of the Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956, Complaint Report, the Observation Letters issued by National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd., the Form of Proxy and the Attendance Slips are enclosed herewith.

Sd/-

(RAJ KISHORE SHUKLA)

Chairman appointed for the
Equity Shareholders meeting

Dated this 24th day of August, 2013

REGISTERED OFFICE:

(ESTER INDUSTRIES LIMITED)

Sohan Nagar, P.O. Charubeta

Khatima -262308

Distt. Udham Singh Nagar

Uttarakhand, India

1. All alterations made in the Form of Proxy should be initialed.
2. Only Equity Shareholders of the Applicant/Transferee Company may attend and vote (either in person or by proxy or by authorized representative under Section 187 of the Companies Act, 1956) at the Equity Shareholders meeting. The representative of a body corporate which is an Equity Shareholder of the Applicant /Transferee Company may attend and vote at the Equity Shareholders meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the registered office of the Applicant/Transferee Company not later than 48 hours before the meeting authorizing such a representative to attend and vote at the Equity Shareholders meeting.
3. The members / proxies are advised to bring original photo identity for verification.

**IN THE HIGH COURT OF UTTARAKHAND AT NAINITAL
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 4 OF 2013**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 100, 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement

BETWEEN

M/s Sriyam Impex Private Limited

AND

Ester Industries Limited

AND

Their respective Shareholders and Creditors.

ESTER INDUSTRIES LIMITED, a Company incorporated
under the provisions of the Companies Act, 1956
having its Registered Office at Sohan Nagar,
P.O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar,
Uttarakhand, India
within the aforesaid jurisdiction

... Applicant /Transferee Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to the order dated 8th August, 2013 passed by the Hon'ble High Court of Uttarakhand at Nainital on the Company Application referred to above, separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Ester Industries Limited, the Applicant/Transferee Company, are being convened for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement between M/s Sriyam Impex Private Limited ('Sriyam') the Transferor Company, and Ester Industries Limited (Ester), the Transferee Company and their respective shareholders and creditors (hereinafter referred to as "**the Scheme**"). A certified copy of said order is available for inspection at the Registered office of Ester Industries Limited at Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand between 11.00 AM to 1.00 PM on any working day except Saturdays, Sundays and company holidays up to the date of the meeting.
2. A copy of the Scheme setting out in details the terms and conditions on which the Scheme is proposed is enclosed. The proposed Scheme envisages inter alia the amalgamation of Sriyam with Ester.
3. The Background details of Sriyam is as under –
 - (i) Sriyam was originally incorporated on 05.03.1998 as a private limited company under the name of 'Shree Lakshmi Vaedics Private Limited' under the provisions of the Companies Act, 1956 and was issued a Certificate of Incorporation by the Registrar of Companies, N.C.T of Delhi & Haryana. Its name was changed to Sriyam Impex Private Limited on 07.01.2003.
 - (ii) The Registered Office of Sriyam is situated at Sohan Nagar, P. O. Charubeta, Khatima- 262308, Distt. Udham Singh Nagar, Uttarakhand.
 - (iii) The Authorized Share Capital of Sriyam is Rs. 47,96,00,000/- (Rupees Forty Seven Crores and Ninety Six Lakhs only), divided into 4,79,60,000 (Four Crores Seventy Nine Lakhs and Sixty Thousand) Equity shares of Rs.10/- (Rupees Ten Only) each. The Issued, Subscribed and Paid-Up Share Capital of Sriyam is Rs. 19,64,62,240/- (Rupees Nineteen Crores Sixty Four Lakhs Sixty Two Thousand Two Hundred And Forty Only) divided into 1,96,46,224 (One Crore Ninety Six Lakhs Forty Six Thousand Two Hundred and Twenty Four) Equity shares of Rs.10/- (Rupees Ten Only) each.

- (iv) The main objects of Sriyam have been set out in its Memorandum of Association. Shortly, after incorporation, Sriyam commenced its business and has since been carrying on the same. Sriyam is presently authorized to and is engaged in the trading of Polyester films, Metalized film, Adhesive Chemicals, Laminated papers, etc.
- (v) The financial position of Sriyam as per its audited Balance Sheet as on 31st March, 2013 is as under:-

Particulars	Amount (Rs. in Lakhs)
Equity and Liabilities	
Equity Share Capital	1,964.62
Reserve & Surplus	2,666.14
Current Liabilities	101.00
Total	4,731.76
Assets	
Non-Current Assets	4,561.59
Current Assets	170.17
Total	4,731.76

4. The Background details of Ester is as under –

- (i) Ester was incorporated on 04.02.1985 under the provisions of the Companies Act, 1956 under the name of 'Ester India Limited' and was issued a Certificate of Incorporation by the Registrar of Companies, Delhi and Haryana. It was issued the Certificate for Commencement of Business on 18.09.1985 by Registrar of Companies, Delhi. Its name was changed to Ester Industries Limited on 28.11.1989.
- (ii) The Registered Office of Ester is situated at Sohan Nagar, P. O. Charubeta, Khatima- 262308, Distt. Udham Singh Nagar, Uttarakhand.
- (iii) The Authorized Share Capital of Ester is Rs. 118,00,00,000/- (Rupees One Hundred and Eighteen Crores only) consisting of Rs 75,00,00,000/- (Rupees Seventy Five Crores only) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Rs.5/- (Rupees Five only) each, Rs 3,00,00,000/- (Rupees Three Crores only) divided into 6,00,000 (Six lakhs) Cumulative Convertible Preference Shares of Rs. 50/- (Rupees Fifty only) each, 40,00,00,000/- (Forty Crores only) divided into 80,00,000 (Eighty Lacs) Redeemable Cumulative preference Shares of Rs. 50/- (Rupees Fifty only) each. The Issued, Subscribed and fully Paid-Up Share Capital of Ester is Rs 31,44,68,530/- (Rupees Thirty One Crores Forty Four Lakhs Sixty Eight Thousand Five Hundred Thirty only) divided into 6,28,93,706 (Six Crores Twenty Eight Lakhs Ninety Three Thousand Seven Hundred and Six) Equity Shares of Rs.5/- (Rupees Five Only) each.
- (iv) The main objects of the Ester have been set up in its Memorandum of Association. Shortly after incorporation, Ester commenced its business and has since been carrying on the same. Ester is presently authorized to and is engaged in the business of manufacturing and sale of Polyester Films, Specialty Polymers and Engineering Plastics. Polyester Films find applications largely in flexible packaging and other industrial applications. Engineering Plastics are used for injection moulded components finding applications in automotive, electrical, electronics, lighting and consumer durable. Specialty Polymers are high performance polymers for special applications in rigid packaging, textiles, plastic sheets and other industrial applications.
- (v) The financial position of Ester as per its audited Balance Sheet as on 31st March, 2013 is as under:-

Particulars	Amount (Rs. in Lakhs)
Equity and Liabilities	
Equity Share Capital	3,144.69
Reserve & Surplus	22,717.31
Non-Current Liabilities	18,292.76
Current Liabilities	21,150.06
Total	65,304.82
Assets	
Non-Current Assets	38,875.03
Current Assets	26,429.79
Total	65,304.82

5. In the circumstances, it is considered desirable and expedient to transfer and vest all the properties, rights and claims whatsoever of Sriyam and its entire undertaking together with all the rights and obligations relating thereto in Ester on the terms and conditions fully stated in the said Scheme.
6. The rationale for the Scheme and its main benefits are, inter alia, summarized as under:
 - (a) Ester and Sriyam are companies within the same group of Companies ('Group'). A consolidation of Ester and Sriyam by way of amalgamation would therefore lead to a more efficient utilization of capital and facilitate creation of a linear shareholding structure
 - (b) The Amalgamation will lead to the benefits of economies of scale, besides other synergetic advantages particularly in view of the fact that the Companies involved in the amalgamation are engaged in the businesses, which are complementary to each other and can be conveniently combined with one another for mutual benefit
 - (c) The proposed amalgamation will result in reduction on overheads and other expenses, economies of scale, reduction in administrative and procedural work and eliminate duplication of work and will enable the undertakings concerned to effect internal economies and optimize productivity.
 - (d) The proposed amalgamation will provide a stronger and consolidated financial structure to the businesses of the companies besides synergy of operations and making a more profitable organization with a greater potential for growth.
 - (e) The amalgamation would result in the creation of a company with much larger asset base and a net worth with strong financials enabling further growth and development of the businesses of the said companies.
 - (f) Ester post amalgamation will have better financial and business prospects. The Scheme shall be beneficial and in the best interests of the shareholders, creditors, employees of Ester, Sriyam and all concerned.
7. The Board of Directors of both the Companies have approved the Scheme of Amalgamation in their respective meetings both held on 17.01.2013.
8. The exchange ratio of the shares of Ester for shares of Sriyam has been fixed on a fair and reasonable basis and on the basis of the valuation report of Goyal Malhotra & Associates. Further, both the Companies Ester and Sriyam had engaged Corporate Professionals Capital Private Limited, Merchant Banker, to issue a Fairness Opinion. Corporate Professionals Capital Private Limited, Merchant Banker, has issued an opinion dated 15th January, 2013 which states

"Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to Clause 24 of the listing agreement and SEBI circular dated September 04, 2008, we have reviewed the Valuation Report of the Valuer dated 14th January, 2013 for valuation based as on 1st April, 2012 for the proposed arrangement as to the Assets / Equity shares of the Transferee Company and the Transferor Company and are of the opinion that these may be taken as fair and reasonable from a financial and a commercial point of view to holders of Equity shares of both the companies."

The Scheme along with the Report on Fairness of the Scheme submitted by Corporate Professionals Capital Private Limited, Merchant Banker was placed before the Audit Committee of Ester on 11th February, 2013. Based upon such Fairness Opinion Report, Audit Committee had come to the conclusion that the entitlement ratio of shares of Ester for shares of Sriyam is fair and reasonable and thus, the Scheme was approved by the Audit Committee as on 11th February, 2013.

9. The salient features of the Scheme –
 - (i) The Scheme envisages the amalgamation of Ester and Sriyam pursuant to Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956 on a going concern basis in the manner provided for in the Scheme.
 - (ii) Appointed Date is 1st April, 2012
 - (iii) The Transferee Company shall, without further application, issue and allot to the Equity Shareholder(s) of the Transferor Company, 100 (One Hundred only) Equity Shares of the nominal value of Rs. 5/- each at a premium of Rs. 25.22, i.e., at a fair value of Rs. 30.22 each, as determined in the valuation report given by the independent valuer, in the Transferee Company, credited as fully paid up, for every 197 (One hundred and ninety seven only) Equity Shares of the nominal value of Rs. 10 each fully paid up held by them in the Transferor Company. For the purpose of allotment referred to in this clause, fractional entitlements shall be rounded-off to the next higher whole number.
 - (iv) On completion of the scheme, equity shares of Transferee Company held by the Transferor Company shall stand cancelled and New Equity Shares will be issued to equity shareholders of Sriyam in the exchange ratio as specified above.

- (v) The reduction in the share capital and security premium account of the Transferee Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable
- (vi) Upon sanction of this Scheme, the Authorized Share Capital of the Transferee Company on the Effective Date shall automatically stand increased by merging the Authorized Share Capital of Transferor Company with Transferee Company without any further act or deed on the part of the Transferee Company, including payment of Stamp Duty and Registrar of Companies fees, for the Authorized Share Capital of Transferor Company. Further, if required, the Transferee Company shall take necessary steps to further increase and alter its Authorized Share Capital suitably to enable it to issue and allot the Equity Shares required to be issued and allotted by it in terms of this Scheme.
- (vii) Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up.

The features set out above being only the salient features of the Scheme, the Members are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

10. In terms of Clause 24(h) of the Listing Agreement, pre and post merger (expected) equity shareholding pattern of Ester based on 31st March, 2013 are given below:

Category	Category of Shareholder	Pre-Merger			Post-Merger		
		No of Shareholder	Total number of shares	As a percentage of (A+B+C)	No of Shareholder	Total number of shares	As a percentage of (A+B+C)
(A)	Promoter and Promoter Group						
(1)	Indian						
	(a) Individuals	2	300	--	2	178183	0.28
	(b) Bodies Corporate	1	10222650	16.25	--	--	--
(2)	Foreign						
	(a) Individuals (Non-Resident Individuals)	2	300	--	2	300	--
	(b) Bodies Corporate	1	35120192	55.84	1	44915012	71.70
	Total Shareholding of Promoter and Promoter Group (A)	6	45343442	72.09	5	45093495	71.98
(B)	Public shareholding						
(1)	Institutions						
	(a) Mutual Funds/UTI	5	27500	0.04	5	27500	0.04
	(b) Financial Institutions/Banks	10	34800	0.06	10	34800	0.06
	(c) Insurance Companies	1	300	--	1	300	--
(2)	Non-institutions						
	(a) Bodies Corporate	496	2016064	3.21	496	2016064	3.22
	(b) Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >Rs. 1 Lakh.	25620	11743707	18.67	25620	11743707	18.75
	(c) Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess of Rs. 1 Lakh	48	2751013	4.38	48	2751013	4.39
	(d) Non Resident Individual	164	976880	1.55	164	976880	1.56
	Total Public Shareholding (B)	26344	17550264	27.91	26344	17550264	28.02
	TOTAL (A)+(B)	26350	62893706	100.00	26349	62643759	100.00

Pre-merger equity shareholding pattern of Sriyam based on 31st March, 2013 are given below:

S. No.	Name	Status	No. of Shares	% Shareholding
1	Ayush Vardhan Singhania	Individual	350,429	1.78%
2	Wilemina Finance Corporation	Company	19,295,795	98.22%
	Total		19,646,224	100.00%

11. After the amalgamation, aggregate assets of Ester are more than sufficient to meet all the liabilities of Sriyam as well as those of Ester and the said Scheme will not adversely affect the rights of any of the creditors of any of the companies in any manner whatsoever and due provisions have been made for payment of all liabilities as and when the same fall due in usual course.
12. There are no proceedings pending under Sections 235 to 251 of the Companies Act, 1956 against either Sriyam or Ester.
13. Mr. Arvind Singhania and Mr. Pradeep Kumar Rustagi have Directorships in both the companies. None of the directors except to the extent of shareholding held in Ester and/or Sriyam has any material interest in the said Scheme

The extent of the shareholding of the directors of Ester in the share capital of Ester and Sriyam as on 31st March, 2013, either singly or jointly or as nominee is as under:

S. No.	Name of the Director	Equity Shares in Ester	Equity Shares in Sriyam
1	MR. ARVIND KUMAR SINGHANIA	150	Nil
2	MR. ASHOK NEWATIA	Nil	Nil
3	MR. M.S. RAMACHANDRAN	Nil	Nil
4	MR. DINESH KOTHARI	20,000	Nil
5	MR. P. S. DASGUPTA	Nil	Nil
6	MR. V.B. HARIBHAKTI	1500	Nil
7	MR. ANAND CHAND BURMAN	Nil	Nil
8	MR. PRADEEP KUMAR RUSTAGI	400	Nil
9	MR. ASHOK KUMAR AGARWAL	100	Nil

The extent of the shareholding of the directors of Sriyam in the share capital of Ester and Sriyam as on 31st March, 2013, either singly or jointly or as nominee is as under:

S. No.	Name of the Director	Equity Shares in Ester	Equity Shares in Sriyam
1	MR. ARVIND KUMAR SINGHANIA	150	Nil
2	MR. PRADEEP KUMAR RUSTAGI	400	Nil
3	MR. L. C. BHANDARI	Nil	Nil

14. The National Stock Exchange and the Bombay Stock Exchange have already approved the Scheme by their observation letters both dated 18.06.2013.
15. The National Stock Exchange and the Bombay Stock Exchange had by their aforesaid letters stated that they had forwarded the said Scheme of Amalgamation to Securities Exchange Board of India (SEBI) for their comments. SEBI vide its letter dated 13.06.2013 had asked the National Stock Exchange and the Bombay Stock Exchange that Ester should comply with various provisions of the SEBI Circular No. CIR/CFD/DIL/5/2013 dated 04.02.2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21.05.2013 (the "Circulars").
16. Ester has submitted an undertaking to the National Stock Exchange and the Bombay Stock Exchange stating that Ester shall comply with various provisions of the Circulars.
17. The copies of the following documents are open for inspection at the Registered office of Ester at Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand between 11.00 am and 1.00 pm on any working day except Saturdays and Sundays and company holidays up to the date of the meeting and also at the meeting:
 - (a) Copy of the Scheme of Amalgamation
 - (b) Memorandum and Articles of Association of Ester and Sriyam
 - (c) Balance Sheet as on 31st March, 2013 along with Profit & Loss Account and Auditors' Report thereon of Ester and Sriyam
 - (d) Valuation Report in respect of the share exchange ratio.
 - (e) Fairness Opinion from Corporate Professionals Capital Private Limited, Merchant Banker
 - (f) Observation Letters received from the National Stock Exchange of India Limited and Bombay Stock Exchange Limited
 - (g) Certified copy of the order dated 8th August, 2013 passed by the Hon'ble High Court of Uttarakhand at Nainital in the Company Application No. 4 of 2013.

Dated this 24th day of August, 2013
Place: Nainital

Sd/-
(RAJ KISHORE SHUKLA)
Chairman Appointed for the Meeting

**SCHEME OF AMALGAMATION
UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956
BETWEEN**

Sriyam Impex Private Limited

Transferor Company

And

Ester Industries Limited

Transferee Company

And

their respective shareholders, creditors and all concerned.

PART-I

This Scheme of Amalgamation is presented for the amalgamation of Sriyam Impex Private Limited with Ester Industries Limited pursuant to Sections 391 & 394 of the Companies Act, 1956.

1. INTRODUCTION

- 1.1 Sriyam Impex Private Limited (herein after referred to as 'Transferor Company') is a Company incorporated under the Companies Act, 1956 on March 5, 1998, and having its Registered Office at Sohan Nagar, P.O. Charubeta, Khatima, Distt. Udham Singh Nagar, Uttrakhand-262308, India. Transferor Company is authorised to and is engaged in the trading of Polyester films, Metallized film, Adhesive Chemicals, Laminated papers etc. etc.
- 1.2 Ester Industries Limited (herein after referred to as 'Transferee Company') is a Company incorporated under the Companies Act, 1956 on February 4, 1985, and having its Registered Office at Sohan Nagar, P.O. Charubeta, Khatima, Distt. Udham Singh Nagar, Uttrakhand-262308, India. Transferee Company is authorized to and is engaged in the business of manufacturing Polyester Films, Specialty Polymers and Engineering Plastics. Polyester Films find applications largely in flexible packaging and other industrial applications. Engineering Plastics are used for injection moulded components finding applications in automotive, electrical, electronics, lighting and consumer durable. Specialty Polymers are high performance polymers for special applications in rigid packaging, textiles, plastic sheets and other industrial applications.
- 1.3 Rationale for the Scheme
 - 1.3.1 The Amalgamation will lead to the benefits of economies of scale, besides other synergetic advantages particularly in view of the fact that the Companies involved in the amalgamation are engaged in the businesses, which are complementary to each other and can be conveniently combined with one another for mutual benefit.
 - 1.3.2 The Transferor Company and the Transferee Company are companies within the same group of Companies ('Group'). A consolidation of the Transferor Company and the Transferee Company by way of amalgamation would therefore lead to a more efficient utilization of capital and facilitate creation of a linear shareholding structure.
 - 1.3.3 The proposed amalgamation will result in reduction on overheads and other expenses, economies of scale, reduction in administrative and procedural work and eliminate duplication of work and will enable the undertakings concerned to effect internal economies and optimize productivity.
 - 1.3.4 The Scheme shall be beneficial and in the best interests of the shareholders, creditors, employees of the Transferor Company the Transferee Company and all concerned.

PART-II

2. DEFINITIONS:

For the purpose of this Scheme, the following expressions shall have the following meanings: -

- 2.1 "**Act**" means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force.
- 2.2 "**Amalgamating Undertaking**" means all the assets and liabilities belonging to Transferor Company and shall include:

- (i) The entire business of the Transferor Company;
- (ii) All the assets (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent), claims, estates, interests, powers properties, rights and titles of every description of or relating to the Transferor Company as on the Appointed Date (hereinafter referred to as "the said assets");
- (iii) All the debts, liabilities, duties and obligations including charges, liens and mortgages of every description of or pertaining to the Transferor Company as on the Appointed Date, whether provided for or not in the books of account of the Transferor Company and whether disclosed or undisclosed in its balance sheet (hereinafter referred to as "the said liabilities");
- (iv) Without prejudice to the generality of sub-clauses (i), (ii) & (iii) hereof, all rights, privileges, powers and authorities and all properties whether movable or immovable, real or personal, corporeal or incorporeal, in possession or reversion, present or contingent or of whatsoever nature and wheresoever situated including brands, non-compete right, leasehold rights, tenancy rights, leasehold improvements, software, goodwill, industrial and other licenses installations, plant and machinery, furniture, fittings, office equipments, vehicles, shares, securities, inventories, book-debts, cash-in-hand, bank balances (including deposits with banks), loans and advances, deposits, advance payments, prepaid expenses, tax credits, sales tax deferrals / remission, CENVAT credits, sales tax credit and in particular all licenses, essentiality certificates, patents, trademarks, logos and all allotments, reservations, import quotas, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements and licenses held by the Transferor Company or to which the Transferor Company is entitled to and all debts, liabilities, obligations and duties of the Transferor Company of whatsoever kind.

PROVIDED that except as provided herein, this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company and which shall stand vested in the Transferee Company by virtue of the amalgamation.

- (v) All intellectual property rights of the Transferor Company pertaining to its business including patents, copyrights, designs and trademarks.
- (vi) All books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the business of the Transferor Company;
- (vii) All permanent employees of the Transferor Company employed in the business of the Transferor Company;
- (viii) All earnest monies, security deposits, payments against warrants, or other entitlements, if any, in connection with or relating to the business of the Transferor Company;

- 2.3 **"Appointed Date"** means for the purpose of amalgamation of Transferor Company commencement of business on the 1st day of April, 2012 or such other date as the High Court may direct or approve.
- 2.4 **"Authorised Signatory (ies)"** means any person authorized by the Board of Directors for the purpose of this scheme
- 2.5 **"Board of Directors"** in relation to The Transferor Company and The Transferee Company as the case may be, means Board of Directors of respective companies and shall include a committee of such Directors.
- 2.6 **"Effective Date"** means the last of the dates on which certified copy of the formal order of High Court is filed with the Registrar of Companies by both the Transferor Company and the Transferee Company.
- 2.7 **"High Court"** means the High Court of Uttarakhand at Nainital.
- 2.8 **"New Equity Shares"** mean equity shares issued by Transferee Company to the existing shareholders of Transferor Company referred to in clause 6, pursuant to amalgamation of the Transferor Company with Transferee Company.
- 2.9 **"Registrar of Companies"** means the Registrar of Companies, Kanpur.
- 2.10 **"Record Date"** means the date to be fixed by the Board of Directors or a committee thereof of the Transferee Company for the purpose of determining the members of the Transferor Company to whom shares will be allotted pursuant to Clause 6.1.1 of the Scheme.

- 2.11 **“Scheme”** means this Scheme of Amalgamation where under the Transferor Company is to be amalgamated with the Transferee Company in its present form or with any modification(s) approved or imposed or directed by the Members or Board of Directors of any of the companies made under Clause 15 and/or by the High Court and/or by any other authority, in accordance and compliance with the provisions of Section 2 (1B) of the Income Tax Act, 1961.
- 2.12 **“Transferor Company”** shall have the meaning given to in clause 1.1.
- 2.13 **“Transferee Company”** shall have the meaning given to in clause 1.2.
- 2.14 The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof from time to time. In particular, wherever reference is made to the Hon’ble High Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal (“NCLT”) or such other forum or authority, as may be vested with any of the powers of a High Court under the Act.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 3.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court shall be effective from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL

- 4.1 The Authorised, Issued, Subscribed and Paid Up Share Capital of the Transferor Company as at March 31, 2012 is as follows:

Particulars	Amount (Rs.)
AUTHORISED CAPITAL 47,960,000 Equity Shares of Rs. 10/- each	479,600,000.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL 19,646,224 Equity Shares of Rs. 10/- each	196,462,240.00

As on the date of this Scheme being approved by the Board of Directors of the Transferor Company and Transferee Company, there is no change in the authorized, issued, subscribed and paid-up share capital of the Transferor Company.

- 4.2 The Authorised, Issued, Subscribed and Paid Up Share Capital of the Transferee Company as at March 31, 2012 is as follows:

Particulars	Amount (Rs.)
AUTHORISED CAPITAL	
150,000,000 Equity Shares of Rs. 5/- each	750,000,000.00
600,000 cumulative convertible preference shares of Rs. 50/- each	30,000,000.00
8,000,000 redeemable cumulative preference shares of Rs. 50/- each	400,000,000.00
TOTAL	1,180,000,000.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL	
62,893,706 Equity Shares of Rs. 5/- each fully paid up	314,468,530.00

As on the date of this Scheme being approved by the Board of Directors of the Transferor Company and Transferee Company, there is no change in the authorized, issued, subscribed and paid-up share capital of the Transferee Company.

PART – III - AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEE COMPANY

5. TRANSFER AND VESTING

- 5.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the modalities of transfer and vesting, the Amalgamating Undertaking belonging to the Transferor Company shall, without any further act or deed, be transferred to and vested in

the Transferee Company pursuant to the provisions of Section 391 to 394 and other applicable provisions of the Act and pursuant to the orders of the High Court, for all the estate, right, title and interest of the Transferor Company therein so as to become the property of the Transferee Company but, subject to all charges affecting the same provided that the Scheme shall not operate to enlarge the security for any loan deposit or facility created in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security there for after the Effective Date or otherwise.

- 5.2 Notwithstanding what is provided in Clause 5.1 above, it is expressly provided that in respect of such of the said assets as are moveable in nature, including cash in hand if any, or are otherwise capable of transfer by physical delivery or by endorsement and delivery or leasehold improvements, the same shall be so transferred by the Transferor Company to the Transferee Company immediately after the Scheme is sanctioned by the High Court, without requiring any further order of the High Court or any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly by virtue of this Scheme.
- 5.3 All the assets, title, interests, licenses, essentiality certificates, authorities acquired by or permits, quotas, approvals, permissions, incentives, sales tax deferrals / remissions, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes and other assets, special status and other benefits or privileges enjoyed by or conferred upon or held or availed of by and/or all rights and benefits that have accrued or which may accrue to the Transferor Company before and after the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the Transferor Company shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in and be available the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions as if instead of the Transferor Company, the Transferee Company was a party thereto.
- 5.4 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, incentives, concessions and other authorizations relating to the Transferor Company shall stand transferred by the order of the High Court to Transferee Company, Transferee Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file and record the change of name, pursuant to this Scheme.
- 5.5 Upon the coming into effect of this Scheme and with effect from the Appointed Date:
 - 5.5.1 All secured and unsecured debts, (whether in rupees or in foreign currency), all liabilities, duties and obligations of the Amalgamating Undertaking belonging to the Transferor Company along with any charge, encumbrance, lien or security thereon (hereinafter referred to as the "said Liabilities") shall, pursuant to the provisions of Section 394 (2) of the Act, without any further act, instrument or deed, be and shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company, so as to become the debts, liabilities, duties and obligations of the Transferee Company. Further, 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 Clause. It is clarified that in so far as the assets of the Transferor Company are concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Company, shall, without any further act or deed continue to relate to such assets or any part thereof after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of the Transferee Company, save to the extent warranted by the terms of the existing security arrangements to which the Transferor Company and the Transferee Company are party, and consistent with the joint obligations assumed by them under such arrangement. However, the Transferee company may, at any time after the coming into effect of this scheme in accordance thereof, if so required, under any law or otherwise execute deeds of confirmation in favor of the creditors/lenders of the Transferor company or in favor of any other party to the contract or arrangement to which the Transferor company is a party or any writing, as may be necessary, in order to give the 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 as well as to implement and carry out all such formalities and compliances referred to above.
 - 5.5.2 Loans, advances, payables and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever

form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf on either party.

- 5.5.3 Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 5.5.4 All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company in relation to or in connection with its business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company, which shall meet, discharge and satisfy the same.
- 5.5.5 Guarantees provided by third parties on behalf of the Transferor Company shall vest in the Transferee Company and shall inure to the benefit of the Transferee Company.
- 5.6 All assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company in relation to or in connection with its business after the Appointed Date and prior to the Effective Date shall have been deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the assets, rights, title, interests and authorities of the Transferee Company.
- 5.7 For the purpose of giving effect to the vesting order passed under Sections 391, 394 and other applicable provisions of the Act, in respect of this Scheme, Transferee Company shall at any time pursuant to the sanction of this Scheme by the High Court be entitled to get the recordal of the change in the legal right(s) in respect of any right, asset or liability of the Transferor Company in the record of any authority or person who shall take them on file and record the change pursuant to and in terms of the Scheme.
- 5.8 This Scheme has been drawn up inter alia to comply with the conditions relating to “amalgamation” as specified under Section 2(1B) of the Income Tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(1B) of the Income Tax Act, 1961. Such modification shall however not affect other parts of the Scheme.

6. CONSIDERATION

- 6.1 In consideration of the transfer and vesting of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall discharge consideration to the equity shareholders of the Transferor Company, whose names appear in the Register of Members of the Transferor Company as the holders of equity shares, on such date as may be determined as the “Record Date” for such purpose by the Board of Directors of the Transferee Company, in the following manner:
- 6.1.1 The Transferee Company shall, without further application, issue and allot to the Equity Shareholder(s) of the Transferor Company, 100 (One hundred only) Equity Shares of the nominal value of Rs. 5/- each at a premium of Rs. 25.22, i.e., at a fair value of Rs. 30.22 each, as determined in the valuation report given by the independent valuer, in the Transferee Company, credited as fully paid up, for every 197 (One hundred and ninety seven only) Equity Shares of the nominal value of Rs. 10 each fully paid up held by them in the Transferor Company. For the purpose of allotment referred to in this clause, fractional entitlements shall be rounded-off to the next higher whole number.
- 6.1.2 Equity shares to be allotted by the Transferee Company under this Scheme shall be hereinafter referred to as “New Equity Shares”. The Transferee Company shall issue and allot New Equity Shares

either in physical form or dematerialized form to those equity shareholders who hold the shares of the Transferor Company in dematerialized form provided for issue of shares in dematerialized form, shareholders shall be required to provide details of their respective accounts with the depository participant and such other confirmations as may be required. All those equity shareholders who hold shares of the Transferor Company in physical form shall be issued New Equity Shares either in physical form or dematerialized form, provided for issue of shares in dematerialized form, shareholders shall be required to provide details of their respective accounts with the depository participant. The shareholders who fail to provide such details shall be issued New Equity Shares in physical form unless otherwise communicated in writing by such shareholders on or before such date as may be determined by the Boards of Directors of the Transferor Company and the Transferee Company.

6.1.3 Notwithstanding anything to the contrary in this Scheme, upon the New Equity Shares in the Transferee Company being issued and allotted by it to the members of the Transferor Company as on the Record Date, the share certificates in relation to the Equity Shares held by them in the Transferor Company shall stand cancelled.

6.1.4 The New Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Transferee Company.

Approval of this Scheme by the Shareholders of the Transferee Company shall be deemed to be the due compliance of Section 81 (1A) and such other regulations as are relevant and applicable for the issue and allotment of New Equity Shares by the Transferee Company.

6.1.5 The New Equity shares of the Transferee Company issued in terms of the scheme shall, subject to the applicable regulations, be listed and/or admitted to trading on the relevant stock exchange (s) where the existing Equity Shares of the Transferee Company are listed and/or admitted to trading.

6.1.6 On completion of the scheme, equity shares of Transferee Company held by the Transferor Company shares shall stand cancelled.

6.2 Combination of Authorised Share Capital

Upon sanction of this Scheme, the Authorized Share Capital of the Transferee Company on the Effective Date shall automatically stand increased by merging the Authorized Share Capital of Transferor Company with Transferee Company without any further act or deed on the part of the Transferee Company, including payment of Stamp Duty and Registrar of Companies fees, for the Authorized Share Capital of Transferor Company. Further, if required, the Transferee Company shall take necessary steps to further increase and alter its Authorised Share Capital suitably to enable it to issue and allot the Equity Shares required to be issued and allotted by it in terms of this Scheme.

Upon the coming into effect of this Scheme, Clause V of the Memorandum of Association of the Transferee Company (relating to the Authorized Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

“The Authorized Share Capital of the Company is Rs. 1,659,600,000/- (Rupees One Hundred and Sixty Five Crores and Ninety Six Lacs only) divided into 600,000 (Six lakhs) Cumulative Convertible Preference Shares of Rs. 50 (Rupees Fifty) each and 8,000,000 (Eighty Lakhs) Redeemable Cumulative Preference Shares (RCPS) of Rs.50/- (Rupees Fifty) each and 47,960,000 (Four Crore Seventy Nine Lacs and Sixty Thousand) of Equity Shares of Rs 10/- (Rupees Ten) each and 150,000,000 (Fifteen Crores) of Equity Shares of Rs. 5/- (Rupees Five) each .”

7. DISSOLUTION OF THE TRANSFEROR COMPANY

7.1 Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without winding up.

8. ACCOUNTING TREATMENT

8.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation in its books of accounts as under:

8.1.1 Consideration for amalgamation shall be recorded at fair value. Equity Share Capital Account shall be credited with the aggregate face value of the New Equity Shares issued by it to the members

of Transferor Company. The premium on the New Equity Shares shall be credited to the Securities Premium Account of the Transferee Company.

- 8.1.2 All the assets and liabilities as on the Appointed Date, recorded in the books of the Transferor Companies shall be recorded by the Transferee Company at their book values as appearing in the books of the Transferor Companies;
- 8.1.3 All the reserves (if any, including balance in securities premium) of the Transferor Company will be credited to the account of the Transferee Company, in the same manner and form as they appear in the books of the Transferor Company;
- 8.1.4 The difference between the amount recorded as consideration i.e. share capital (including security premium account) on issue of New Equity Shares allotted by Transferee Company and the existing equity share capital of Transferor Company pursuant to the order of the High Court shall be recorded as Capital Reserve / Goodwill.
- 8.1.5 On completion of the scheme, equity shares of Transferee Company held by the Transferor Company shall stand cancelled. Accordingly, face value of such shares would be reduced from the paid up capital of the Transferee Company. Further, book value of such investment held in Transferor Company over the face value of these shares shall be adjusted against the Capital Reserve of the Transferee Company.
- 8.1.6 Debit balance of Profit and Loss account and the Goodwill transferred from Transferor Company including the Goodwill, if any, arising pursuant to clause 8.1.4 of this scheme of amalgamation shall be adjusted by Transferee Company against security premium account.
- 8.1.7 The reduction, as specified above, in the share capital and security premium account of the Transferee Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.
- 8.2 The Accounting Treatment as stated in the Scheme is in compliance with the accounting treatment as prescribed under Accounting Standard 14 i.e. 'Accounting for Amalgamations' governed by the Companies (Accounting Standards) Rules, 2006.
- 8.3 In case of any differences in accounting policy between Transferor Company and Transferee Company, a uniform set of accounting policies will be adopted by the Board of Directors of the Transferee Company following the amalgamation. The effects on the financial statements of any changes in accounting policies should be adjusted against in accordance with Accounting Standard 5 i.e. 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' governed by the Companies (Accounting Standards) Rules, 2006
- 8.4 Notwithstanding anything above, the Board of Directors of the Transferee Company is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards notified by National Advisory Committee on Accounting Standards and applicable generally accepted accounting principles and any amendment made in Companies Act.

9. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY UNTIL EFFECTIVE DATE

- 9.1 With effect from the Appointed Date and upto and including the Effective Date, the Transferor Company shall:
 - 9.1.1 carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Transferor Company on account of, and for the benefit of and in trust for the Transferee Company.
 - 9.1.2 all the profits or incomes accruing or arising to the Transferor Company, or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses or taxes as the case may be, of the Transferee Company.
 - 9.1.3 carry on its business with reasonable diligence and shall not without the prior written consent of the Transferee Company alienate, charge or otherwise deal with or dispose off the Undertaking or any part thereof except in the ordinary course of its business.

9.1.4 Not vary the terms and conditions of service of its permanent employees except in the ordinary course of its business.

9.1.5 Not, without the prior written consent of the Transferee Company, undertake any new business or a substantial expansion of its existing business

9.2 With effect from the Appointed Date, the Transferor Company has carried on and hereafter undertakes to carry on its business with reasonable diligence and utmost business prudence and from the date of acceptances of the Scheme by the respective Boards of the Transferor Company and the Transferee Company, the Transferor Company shall not alienate, charge, encumber, mortgage or otherwise deal with its Undertaking including any of the said assets or any part thereof, without the prior written consent of the Transferee Company, save and except in the ordinary course of business, or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date

Provided however that the Transferor Company shall be entitled in the ordinary course of business in relation to its borrowings required in connection with its business and operations to borrow in the form of loans and further consent of the Transferee Company shall not be required in this behalf.

10. EMPLOYEES OF THE TRANSFEROR COMPANY

10.1 All the staff, workmen and other employees, if any, of the Transferor Company in service on the date immediately preceding the Effective Date shall become the staff, workmen and employees of the Transferee Company on the Effective Date.

10.2 The services of the said staff, workmen and other employees shall, for all purposes, including accrued leave benefits, gratuity, provident fund, retirement benefits, retrenchment compensation, and so on, be regarded as continuous without any break or interruption of service by reason of the amalgamation of the Transferor Company to the Transferee Company.

10.3 The terms and conditions of service applicable to such employees on the Effective Date will not in any way be less favorable to them than those applicable to them immediately before the Effective Date. The position, rank and designation of the employees would, however, be decided by the Board of Directors of the Transferee Company, which shall also have the right to exercise an option, if warranted, to transfer such employees to any unit of the Transferee Company as may be deemed to be necessary from time to time.

It is expressly provided that as far as the Gratuity Fund, Provident Fund Scheme or any other Special Fund including any surplus in such funds, created or existing for the benefit of the employees, staff and workmen of the Transferor Company are concerned, upon the Scheme becoming finally effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Schemes or Funds as per the terms provided in the respective Trust deeds or other documents. It is the aim and intent of the Scheme that all the duties, obligations, powers and rights of the Transferor Company in relation to such Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having being continuous for the purpose of the aforesaid Schemes / Funds in the hands of the Transferee Company.

11. RIGHT TO REVISE TAX RETURNS

It is clarified that all the taxes and duties payable by the Transferor Company including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims, from the Appointed Date shall, for all purposes, be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise and file income tax returns including tax deducted at source certificates, sales tax/value added tax returns, service tax returns and other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme.

12. LEGAL PROCEEDINGS

All legal proceedings of whatever nature by or against the Transferor Company, if pending, on the Effective Date, shall not abate, be discontinued or be in any way prejudicially affected by reason of the vesting of the Transferor Company in the Transferee Company or the dissolution without winding up of the Transferor Company or of anything contained in this Scheme but the proceedings may 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.

13. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 13.1 Subject to the other provisions of this Scheme, all contracts, memorandum of understandings, tenders, bid documents, expressions of interest, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favor of the Transferee Company and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.
- 13.2 The transfer of the said assets and liabilities of the Transferor Company to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by the Transferor Company on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done, executed for and on behalf of the Transferor Company as acts, deeds and things done, executed for and on behalf of the Transferee Company.

PART – IV - MISCELLANEOUS

14. APPLICATIONS TO THE HIGH COURT

The Transferor Company and the Transferee Company shall make necessary applications under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act to the High Court inter alia for convening/dispensing with the meetings of shareholders and creditors and sanction of this Scheme and for the consequent dissolution without winding up of the Transferor Company and for other reliefs.

15. MODIFICATIONS OR AMENDMENTS TO OR IMPLEMENTATION OF THE SCHEME

- 15.1 The Transferor Company and the Transferee Company may assent from time to time on behalf of all persons, creditors and employees concerned to any modification or amendment or additions to this Scheme or to any conditions or limitations which either the Boards of Directors or a committee of the concerned Board of Directors or any Authorised Signatory as authorized by the Board of Directors of the Transferor Company and the Transferee Company may deem fit, or which the High Court or any other authorities under law may deem fit to approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute and perform all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those for bringing this Scheme into effect.
- 15.2 In the event that the Transferor Company or the Transferee Company may find any of the modifications or conditions which may be imposed by the High Court or other authorities unacceptable for any reason, then the Transferor Company and the Transferee Company are at liberty to withdraw the Scheme. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by the Authorised Signatory of the respective Companies.
- 15.3 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Transferor Company and the Transferee Company or their Authorised Signatory may give and are authorized to determine and give all such directions as may be necessary including directions for settling or removing any question of doubt or difficulty that may arise on any account and between any persons including, such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.
- 15.4 The Transferor Company and the Transferee Company shall also take all such other steps as may be necessary or expedient to give full and formal effect to and implement the provisions of this Scheme.

16. COSTS, CHARGES AND EXPENSES

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



Ref: NSE/LIST/207592-X

June 18, 2013

The Company Secretary
Ester Industries Limited
2nd Floor, tower A,
Building No.8, DLF Cyber City,
DLF Phase II, Sector 65533; 25,
Gurgaon – 122002.

Kind Attn.: Mr. Diwaker Dinesh

Dear Sir,

Sub: Observation letter for Scheme of Amalgamation under Sections 391 & 394 of the Companies Act, 1956 between Sriyam Impex Private Limited and Ester Industries Limited and and their respective shareholders and creditors and all concerned.

We are in receipt of the draft Scheme of Amalgamation under Sections 391 & 394 of the Companies Act, 1956 between Sriyam Impex Private Limited and Ester Industries Limited and and their respective shareholders and creditors and all concerned.

We have perused the draft Scheme of Amalgamation and the related documents/details submitted by Ester Industries Limited including the confirmation of the Company Secretary that the scheme so submitted does not in any way violate, over-ride or circumscribe the provisions of the Securities Laws or the Stock Exchange requirements.

Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, the Exchange had forwarded the said draft Scheme to SEBI for their comments. SEBI has vide letter dated June 13, 2013, has commented as follows:

“The Company shall duly comply with various provisions of the Circulars.”

Accordingly, we do hereby convey our ‘No-objection’ with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the scheme with Hon’ble High Court.

However, the Exchange reserves its rights to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

Yours faithfully,
For National Stock Exchange of India Ltd.

➤ Kamlesh Patel
↳ Manager

DCS/AMAL/NJ/24(f)/106/2013-14

June 18, 2013

The Company Secretary
Ester Industries Limited
Sohan Nagar,
P O Charubeta,
Udham Singh Nagar,
Khatima ,
Uttaranchal 262308.

Dear Sir,

Sub: Observation letter regarding the Scheme of Amalgamation between Sriyam Impex Private Limited and Ester Industries Limited.

We are in receipt of draft Scheme of Amalgamation between Sriyam Impex Private Limited and Ester Industries Limited

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013, and SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013 ; SEBI has vide its letter dated June 13, 2013 given the following comment(s) on the draft scheme of arrangement:

a) *The company shall duly comply with various provisions of the aforesaid SEBI circular.*

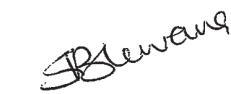
Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,


Jayesh Ashtekar
Manager


Bhuvana Sriram
Deputy Manager

Complaint Report from 12th April, 2013 to 4th May, 2013

PART-A

S. No.	Particulars	Number
1	Number of complaints received directly	NIL
2	Number of complaints forwarded by Stock exchanges	NIL
3	Total Number of complaints/comments received (1+2)	NIL
4	Number of complaints resolved	NA
5	Number of complaints pending	NA

PART-B

S. No.	Name of Complaint	Date of Complaint	Status (Resolved/Pending)
NA	NA	NA	NA

For **Ester Industries Limited**

Sd/-

Diwaker Dinesh

Company Secretary

**IN THE HIGH COURT OF UTTARAKHAND AT NAINITAL
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 4 OF 2013**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 100, 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement

BETWEEN

M/s Sriyam Impex Private Limited

AND

Ester Industries Limited

AND

their respective Shareholders and Creditors.

ESTER INDUSTRIES LIMITED, a Company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand, India within the aforesaid jurisdiction

... Applicant / Transferee Company

Form of Proxy

I/We, _____, the undersigned, Equity Shareholders of Ester Industries Limited, the Applicant/ Transferee Company, do hereby appoint _____ of _____ and failing him _____ of _____ as my / our proxy to act for me / us at the meeting of the Equity Shareholders of the Applicant / Transferee Company to be held at Registered Office at Sohan Nagar, P.O. Charubeta, Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand, India on the 30th day of September, 2013 i.e. Monday at 1.00 P.M. for the purpose of considering and, if thought fit, approving, with or without modifications, the proposed Scheme of Arrangement between M/s Sriyam Impex Private Limited and Ester Industries Limited and their respective Shareholders and Creditors at such meeting and any adjournment / adjournments thereof, to vote, for me / us and in my / our name(s) _____ (herein, "if for" insert "for" : "if against" insert "against" and in the latter case, strike out the words "either with or without modifications" appearing after "Scheme of Arrangement") the said Scheme of Arrangement either with or without modifications as my / our proxy may approve.

*Strike out what is not necessary

Dated this ____ day of _____, 2013

Name

Address

DP ID#/Client ID#/Folio No.**

No. of Shares held.....

Applicable for shareholders holding share(s) in dematerialized form.

** Applicable for shareholders holding share(s) in physical form.

NOTE:

1. THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE APPLICANT/TRANSFEREE COMPANY AT P.O. CHARUBETA, KHATIMA-262308, DISTT. UDHAM SINGH NAGAR, UTTARAKHAND INDIA NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY NEED NOT BE AN EQUITY SHAREHOLDER OF ESTER INDUSTRIES LIMITED.
2. All alternations made in the Form of Proxy should be initialed.
3. In case of multiple proxies, the proxy later in time shall be accepted provided it is received not less than 48 hours before the meeting.



Signature across the Stamp

SPACE LEFT INTENTIONALLY



Sohan Nagar, P. O. Charubeta Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand

ATTENDANCE SLIP

COURT CONVENED MEETING OF EQUITY SHAREHOLDERS ON MONDAY, 30th SEPTEMBER, 2013

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF MEETING HALL

I/we certify that I/we am/are an Equity Shareholder/ Proxy of the Equity Shareholder of the Company.

I/We hereby record my/our presence at the Meeting of the Equity Shareholders of the Applicant/ Transferee Company, convened pursuant to the Order dated 8th August, 2013 of the Hon'ble High Court of Uttarakhand, Nainital on Monday, 30th September, 2013 at 1 P.M. at Sohan Nagar, P. O. Charubeta Khatima-262308, Distt. Udham Singh Nagar, Uttarakhand

Name and Address of Member (IN BLOCK LETTERS)	
Registered Folio No*	
DPID/ Client ID**	
Name of the Proxy holders (if Proxy attends Instead of the Equity Shareholder)/ Authorised Representative	
Signature of Equity Shareholder/Proxy holder	

* Applicable for shareholders holding shares in physical form.

** Applicable for shareholders holding shares in dematerialized form.

If undelivered, please return to:

ESTER
INDUSTRIES LTD.

Sohan Nagar, P. O. Charubeta Khatima-262308,
Distt. Udham Singh Nagar, Uttarakhand