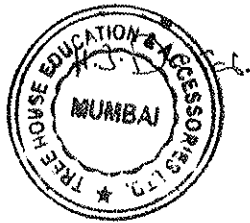

SCHEME OF AMALGAMATION
OF
TREE HOUSE EDUCATION & ACCESSORIES LIMITED
(TRANSFEROR COMPANY)

WITH
ZEE LEARN LIMITED
(TRANSFeree COMPANY)

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
PURSUANT TO SECTION 391-394 OF THE COMPANIES ACT, 1956



1. INTRODUCTION

1.1. Preamble

This Scheme of Amalgamation (“Scheme”) provides for amalgamation of Tree House Education & Accessories Limited (“Transferor Company”) with Zee Learn Limited (“Transferee Company”), both incorporated under the Companies Act, 1956 (“the Act”) pursuant to Sections 391 to 394 of the Act and other relevant provisions of the Act.

1.2. Description of the Transferor and the Transferee Company

a. The Transferor Company:

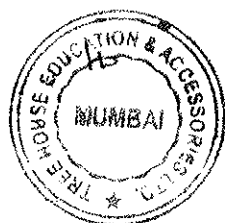
Tree House Education & Accessories Limited is a company incorporated under the provisions of the Act on 10 July 2006 and currently having its registered office at 702 C, Morya House, Off New Link Road, Andheri (West), Mumbai – 400053. The Corporate Identification Number of the Transferor Company is L80101MH2006PLC163028. The equity shares of the Transferor Company are listed on BSE Limited, National Stock Exchange of India Limited and Metropolitan Stock Exchange of India Limited.

b. The Transferee Company:

Zee Learn Limited is a company incorporated under the provisions of the Act on 4 January, 2010 and currently having its registered office at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400018. The Corporate Identification Number of the Transferee Company is L80301MH2010PLC198405. The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited. The Global Depository Receipts of the Company are listed on Luxembourg Stock Exchange.

1.3. Rationale for the Scheme

- a. The Transferor Company has a wide pan India network of pre-schools and provides a number of value added services to the students in its play schools. It has pioneered the model of self-owned and managed pre-schools as well as the concept of professional day care in India. The Transferor Company also provides school management services to a number of schools.
- b. The Transferee Company has a chain of pre-schools and is pioneer in organized and standardized pre-schooling in the country. The Transferee Company is also engaged into providing management and advisory services to India’s leading and fastest growing chain of K-12 schools. The Transferee Company is also engaged into providing world-class vocational educational programs in Creative and Media Arts;
- c. In view of similar line of business activities and with a view to consolidate the business operations, the Board of Directors of the Transferor Company and the Transferee Company are desirous of amalgamating the Transferor Company with the Transferee Company;



- d. The Amalgamation of the Transferor Company with the Transferee Company will provide opportunity to leverage combined assets, build a stronger sustainable business and will enable optimal utilization of existing resources and provide an opportunity to fully leverage capabilities, experience and infrastructure of both the companies. The amalgamation will also result in accessibility to broader markets and improved organizational capability and leadership arising from the pooling of human capital that has diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry;
- e. The proposed Scheme would be in the best interest of the shareholders, creditors and employees of the Transferor Company and would result in enhancement of shareholder value and would help the Transferee Company to vigorously pursue its expansion plans.

1.4. In view of the aforesaid, the Board of Directors (as defined hereinafter) of the Transferor and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the entire Undertaking (as defined hereinafter) and business of the Transferor Company into the Transferee Company and other matters herein, with an opinion that the amalgamation and other provisions of the Scheme would benefit the shareholders, employees and other stakeholders of the Transferor Company and the Transferee Company.

1.5. In furtherance of the aforesaid, this Scheme provides for:

- a. the amalgamation of the Transferor Company with the Transferee Company;
- b. the consequent issue of shares by the Transferee Company to the shareholders of the Transferor Company; and
- c. various other matters consequential or otherwise connected herewith

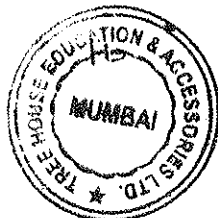
pursuant to Sections 391 to 394 and other relevant provisions of the Act (as defined hereinafter) in the manner provided for in this Scheme.

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

1.7. **Definitions:**

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

- a. “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

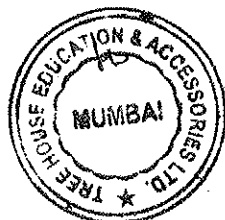


Directors of the Transferor Company and the Transferee Company, sections 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, reference in this Scheme to particular provisions of the Act is reference 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, unless a different intention appears, be construed as reference to the provisions so re-enacted;

- b. **“Appointed Date”** means 31 March 2016 (close of business hours) or such other date as may be approved by the Hon’ble High Court of Judicature at Bombay;
- c. **“Board of Directors”** or **“Board”** means the Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- d. **“Court”** or **“High Court”** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if and when applicable;
- e. **“Effective Date”** means last of the dates on which the certified copies of the order sanctioning this Scheme of Amalgamation, passed by the High Court or such other competent authority, as may be applicable, are filed with the Registrar of Companies, by the Transferor Company and the Transferee Company. All references in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of this Scheme” or “Scheme taking effect” shall mean the Effective Date;
- f. **‘ESOP 2010’** means the Tree House Education & Accessories Limited Stock Option Plan 2010 of the Transferor Company pursuant to which shares in the Transferor Company are issued to the eligible employees of the Transferor Company upon exercise of stock options;
- g. **‘ESOP 2012’** means the Tree House Education & Accessories Limited Stock Option Plan 2012 pursuant to which shares in the Transferor Company are issued to the eligible employees of the Transferor Company upon exercise of stock options;
- h. **‘ESOP 2014’** means the Tree House Education & Accessories Limited Stock Option Plan 2014 pursuant to which shares in the Transferor Company are issued to the eligible employees of the Transferor Company upon exercise of stock options;
- i. **‘ESOP Plans’** means collectively ESOP 2010 and ESOP 2012 and ESOP 2014;
- j. **‘New Equity Shares’** means new equity shares of Transferee Company as referred to in Clause 8;
- k. **‘Record Date’** means the date fixed by the Board of Directors of the Transferor Company or any committee thereof in consultation with the Transferee Company, for the purpose of determining names of the equity shareholders, who shall be entitled to receive the New Equity Shares in the Transferee Company pursuant to Clause 8 of the Scheme, upon coming into effect of this Scheme;



- l. 'Scheme' or 'Scheme of Amalgamation' means this Scheme of Amalgamation in its present form or with any modifications, approved or imposed or directed by the Board of Directors of the Transferor Company and the Transferee Company or by the High Court or any other relevant authority;
- m. 'SEBI' means the Securities and Exchange Board of India;
- n. 'SEBI Circular' means circular issued by SEBI, bearing reference number CIR/CFD/CMD/16/2015 dated 30 November 2015 and any amendments thereto including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- o. 'Transferor Company' means Tree House Education & Accessories Limited, a company incorporated under the provisions of the Act on 10 July 2006 and currently having its registered office at 702 C, Morya House, Off New Link Road, Andheri (West), Mumbai – 400053;
- p. 'Transferee Company' means Zee Learn Limited, a company incorporated under the provisions of the Act on 4 January, 2010 and currently having its registered office at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400018;
- q. 'Undertaking' means the entire business and the whole of the undertakings of the Transferor Company as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:
- (i) All the assets and properties (whether moveable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, but not limited to land (whether leasehold or freehold), computers, teaching aid and equipment, course content, all study / education materials, lesson plans, e-course content including study kit in whatever form and material, all other study courses whether related to playgroup, nursery or K-12, training materials including teacher training courses, equipment, buildings and structures and other premises, offices and other equipment, stock-in-trade, capital work in progress, business commercial rights, present and future royalty income as per the franchisee agreements entered, sundry debtors, furniture, fixtures, interiors, office equipments, vehicles, appliances, trade investments and investments of all other kinds including shares or other securities held by the Transferor Company, interest free or interest bearing deposits including but not limited to rental security deposits, deposit given for K-12 Schools including any other deposits / advances, cash balances or deposits with banks, fixed deposits and interest thereon, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to lease rights of the Transferor Company), lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, development rights (whether vested or potential



and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and/or residential properties (including for the employees or other persons), guest houses, godowns, licenses, web portal and rights therein, fixed and other assets, intangible assets (including but not limited to software), trade and service names and brands, marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, all documents, records and papers maintained in pursuance of applicable laws, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to the Transferor Company, employee benefit plan, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement, tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, in each case.

- (ii) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations.
- (iii) All intellectual property rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company.
- (iv) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.
- (v) Rights to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess



payment thereof made by the Transferor Company and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.

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

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, 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

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. Transferor Company:

The Share Capital of the Transferor Company as on 30 September 2015 is set below:

Particulars	Amount (in Rs.)
Authorised share capital	
45,000,000 shares of face value of Rs. 10/- each	450,000,000
TOTAL	450,000,000
Issued, subscribed and paid-up share capital	
42,310,724 shares of face value of Rs. 10/- each	423,107,240
Total	423,107,240

Subsequent to 30 September 2015 there is no change in the issued, subscribed and paid up share capital of the Transferor Company.

3.2. Transferee Company.

The share capital of the Transferee Company as on 30 September 2015 is as set out below:

Particulars	Amount (in Rs.)
Authorised share capital	
1,000,000,000 shares of face value of Re. 1/- each	1,000,000,000
Total	1,000,000,000
Issued, subscribed and paid-up share capital	
* 320,149,020 shares of face value of Re. 1/- each	320,149,020
Total	320,149,020

* Includes 2,75,09,770 Global Depository Receipts which are listed on the Luxembourg Stock Exchange

Subsequent to 30 September 2015 the issued, subscribed and paid up share capital of the Transferee Company underwent a change on account of exercise of stock options by the stock option holders of the Transferee Company. The revised issued, subscribed and paid up share capital of the Transferee Company as of 23 December 2015 is as follows:



Particulars	Amount (in Rs.)
Authorised share capital	
1,000,000,000 shares of face value of Re. 1/- each	1,000,000,000
Total	1,000,000,000
Issued, subscribed and paid-up share capital	
*320,423,922 shares of face value of Re. 1/- each	320,423,922
Total	320,423,922

*Includes 2,75,09,770 Global Depository Receipts which are listed on the Luxembourg Stock Exchange

- 3.3. The authorised share capital of the Transferor Company will be transferred to the Transferee Company as stated under Clause 14 of the Scheme. If required further, thereafter, upon the Scheme becoming finally effective, the Transferee Company will suitably enhance its authorised capital at the appropriate time.
- 3.4. The existing equity shares of the Transferor Company are listed on the BSE Limited, National Stock Exchange of India Limited and Metropolitan Stock Exchange of India Limited. The existing equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited and the Global Depository Receipts issued by the Transferee Company are listed on the Luxembourg Stock Exchange.

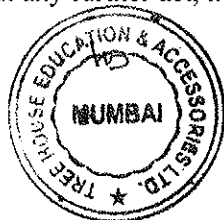
4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable.
- 4.2. Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- a. All assets and properties of the Transferor Company as on the Appointed Date and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act,



without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.

- b. In respect of such assets owned and belonging to the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the Act.
 - c. In respect of movables other than those dealt with in Clause 4.2 (b) above including without any further act, instrument or deed of the Transferee Company the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
 - d. All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Company, and all rights and benefits which have accrued to the Transferor Company shall, under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- 4.3. Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- a. All the liabilities including all secured and unsecured debts, sundry creditors, duties, obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the "Liabilities") shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or



security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Scheme. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

- (i) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Company as on the Appointed Date be deemed to be transferred to the Transferee Company have been discharged by Transferor Company after the Appointed Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (ii) All loans raised or used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferor Company after the Appointed Date but prior to the Effective Date shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.

4.4. The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party concerned, that pursuant to the High Court sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto and that the right to recover or realise the same is in substitution of the right of the Transferor Company.

4.5. The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secures or relate to the Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Company have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.



- 4.6. Any existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties of the Transferee Company and shall not extend or attach to all of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- 4.7. Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required. It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 4.8. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause 4 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.
- 4.9. Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, only to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1. Upon the coming into effect of this Scheme and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, 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 have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- 5.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite agreements or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorised to



execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

- 5.3. The Transferee Company shall be entitled to the benefit of all insurance policies which may have been issued in respect of the Transferor Company and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party.
- 5.4. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of Transferor Company is replaced with that of Transferee Company, Transferee Company shall be entitled to operate the bank accounts of Transferor Company in the name of Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Transferor Company after the Effective Date shall be accepted by the bankers of Transferee Company and credited to the account of Transferee Company. It is hereby expressly clarified that any legal proceedings by or against Transferor Company in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Transferor Company shall be instituted, or as the case maybe, continued by or against Transferee Company after the coming into effect of this Scheme.

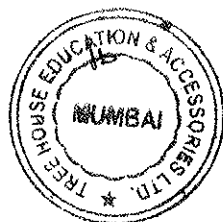
6. LEGAL PROCEEDINGS

- 6.1. Upon coming into effect of this Scheme all suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.
- 6.2. The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 6.1 above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

7. STANDSTILL PROVISIONS TILL EFFECTIVE DATE

Upon approval of the Scheme by the board of directors of the Transferor Company and the Transferee Company and up to the Effective Date:

- 7.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties, assets and liabilities pertaining to the Transferor Company for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date. Further:
- (a) The Transferor Company shall carry on its business and other activities with reasonable diligence, business prudence and shall not without prior written consent of the Transferee



Company alienate, charge, mortgage, encumber or otherwise deal with or dispose of its assets or any part thereof;

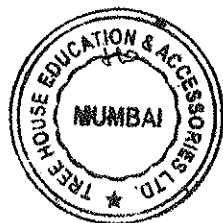
- (b) Transferor Company shall not enter into any contracts, agreements, understandings, negotiations, memorandum of understanding and any other commercial understandings which relate to the business of the Transferor Company unless Transferor Company has obtained prior written consent of the Transferee Company;
- (c) 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) of the Transferor Company shall, after the Appointed Date for all purposes be treated and be deemed to be and accrued as the profits or incomes or expenditure or losses or taxes, as the case may be, of the Transferee Company;
- (d) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.
- (e) All taxes (including 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 business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, income 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 its business after 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.

7.2. Without prejudice to the provisions of this Scheme, with effect from the Appointed Date, all inter-party transactions between Transferor Company and Transferee Company, if any, shall be considered as intra-party transactions for all purposes, from the Appointed Date. Any income tax (including tax deducted at source or dividend distribution tax) or service tax paid in relation to such transaction shall, to the extent permissible by applicable law, be claimed as a refund.

7.3. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary and as may be required under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme

8. ISSUE OF CONSIDERATION BY THE TRANSFEE COMPANY

8.1. Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme,

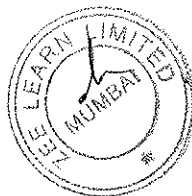
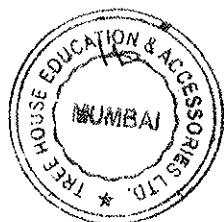


the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company /register of beneficial owner with depository on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors) and to the stock option holders of the Transferor Company upon exercise of Stock Options the following shares (the "Share Exchange Ratio"):

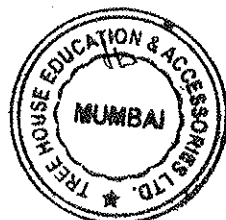
53 (fifty three) fully paid up Equity Shares of Re.1 each of Transferee Company to the shareholders of Transferor Company for every 10 (ten) fully paid up Equity Shares of Rs. 10 each held by them in the Transferor Company

8.2. ESOPs

- (a) Since the date of approval of the Scheme by the Board of Directors of the Transferor Company and the Transferee Company and up to the Effective Date, in case Transferor company intends to issue new ESOP grants or do any modifications to the existing ESOP schemes, prior written consent of Transferee Company will be required.
- (b) In respect of the stock options granted by the Transferor company under the ESOP Plans to employees of the Transferor Company who are proposed to be transferred as part of the Scheme to the Transferee company, which have been granted and vested but have not been exercised as on the Appointed Date, such options shall continue to vest in the employees of the Transferor Company being transferred to the Transferee Company.
- (c) The ESOP Plans shall, pursuant to this Scheme, be modified by the Transferee Company, as considered appropriate by its Nomination and Remuneration Committee, to give effect to this clause 8.2 and the consent of the shareholders of the Transferor company and Transferee Company to this Scheme shall be deemed to be their consent and approval in relation to all matters pertaining to the ESOP Plans as described in this Scheme, including without limitation, for the purposes of effecting necessary modifications to the ESOP Plans and all related matters. Upon effectiveness of the Scheme, Transferee Company shall issue its stock options to employees of the Transferor Company holding options under ESOP Plan to give effect of this clause. The terms and conditions applicable to the Transferee Company Options shall be no less favourable than those provided under the ESOP Plans of the Transferor Company. All actions taken in accordance with clause 8.2 of this Scheme shall be deemed to be in full compliance of Sections 62 and/or 42 of the 2013 Act, any other applicable provisions of this Act, and the guidelines/regulations issued by SEBI and no further approval of the shareholders of the Transferor Company and Transferee Company or resolution, action or compliance under Sections 62 and/or 42 of the 2013 Act and/or any other applicable provisions of the Act and/or under the guidelines/regulations issued by the SEBI would be required to be separately passed or undertaken by the Transferor Company or the Transferee Company.
- (d) The Boards of Directors of the Transferor Company and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of Clause 8.2 of the Scheme, as may be required.



- 8.3. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Company which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.
- 8.4. Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Company, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.
- 8.5. New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/ or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Transferee Company are listed and admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges where the shares / securities of the Transferee Company are listed. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant stock exchanges.
- 8.6. Upon the New Equity Shares being issued and allotted to the shareholders of Transferor Company, the shares held in the Transferor Company by the said members of Transferor Company, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any further act, deed or instrument.
- 8.7. In so far as New Equity Shares are concerned, the same will be distributed in dematerialized form to the equity shareholders of Transferor Company, provided all details relating to the account with the depository participant are available to Transferee Company. All those equity shareholders who hold equity shares of Transferor Company and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the Board of Directors of Transferee Company or committee thereof.
- 8.8. Upon the coming into effect of the Scheme, the New Equity Shares of Transferee Company to be issued and allotted to the members of the Transferor Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and the New Equity Shares shall rank *pari passu* from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in



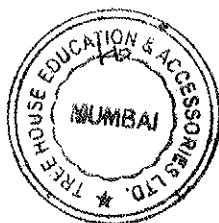
respect of dividends. The issue and allotment of New Equity Shares by the Transferee Company to the members of the Transferor Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.

- 8.9. Approval of the Scheme by the shareholders of Transferee Company shall be deemed to be due compliance with the provisions of Section 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of shares by Transferee Company to the shareholders of the Transferor Company, as provided in this Scheme.
- 8.10. If any shareholder of the Transferor Company becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of equity shares by the Transferee Company in accordance with Clause 8.1 of this Scheme, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Transferee Company (the "Trustee"), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Trustee who shall hold the same as a trustee for and on behalf of such shareholders of Transferor Company, and shall dispose off the same and distribute the proceeds thereof to such shareholders in proportion to and in lieu of their respective fractional entitlements.
- 8.11. Without prejudice to Clause 14, the Transferee Company shall, if necessary and to the extent required, increase / alter its Authorized Share Capital to facilitate issue of New Equity Shares under this Scheme.

9. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

On the Scheme taking effect, the Transferee Company shall account for amalgamation of the Transferor Company with Transferee Company in its books of account with effect from the Appointed Date as under:

- 9.1. The Transferee Company shall account for amalgamation of the Transferor Company with Transferee Company in its books of account as an "amalgamation in the nature of purchase" in accordance with the provisions of Accounting Standard 14 – "Accounting for Amalgamations" (AS-14) as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rule, 2014.
- 9.2. 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.
- 9.3. Any excess of the aggregate of face value of New Equity Shares as per Clause 9.2 above over the value of assets and liabilities of Transferor Company shall be recorded as Goodwill arising on amalgamation in the books of the Transferee Company. If the aggregate of face value of New



Equity Shares as per Clause 9.2 above is lower than the value of assets and liabilities of Transferor Company shall be treated as Capital Reserve in the books of the Transferee Company.

- 9.4. Goodwill arising on amalgamation mentioned in Clause 9.3 above shall be treated in accordance with AS 14.

10. DIVIDEND AND SHARE ISSUANCES

From the date of approval of the Scheme by the Board of Directors of the Transferor Company to the Effective Date:

- 10.1. Except with the prior written consent of the Transferee Company, the Transferor Company shall not declare/ pay dividend, with respect to its equity shares. However, prior written consent of the Transferee is not required, if the Transferor Company declare/pay dividend to its equity shareholders for the financial year ended 31 March 2016 equal to or to the extent of dividend declared during immediately preceding financial year ending on 31 March 2015, subject to that such dividend for financial year 2016 is paid in the similar month of 2016 as compared with that of 2015.
- 10.2. The Transferor Company, except as mentioned otherwise in this Scheme shall not issue or allot any shares, right shares, bonus shares or any other security or obtain any financial assistance converting into equity or other share capital, unless agreed to by the Board of Directors of the Transferee Company.

Until the coming into effect of this Scheme, the holders of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing respective rights under their respective Articles of Association. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.

11. BRANDS AND TRADEMARK

Upon the effectiveness of the Scheme, the Transferee Company will be entitled to all the brands and trademarks of the Transferor Company including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks and all such other industrial or intellectual rights of whatsoever nature. The Transferee Company may take such actions as may be necessary and permissible to get the same transferred and / or registered in the name of the Transferee Company.

