

JYOTHY CONSUMER PRODUCTS LIMITED

Registered Office: Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai - 400 059, Maharashtra

Website: www.jyothylaboratories.com • e-mail: investor@cameoindia.com

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF JYOTHY CONSUMER PRODUCTS LIMITED	CONTENTS	PAGE NO.
Day : THURSDAY	Notice of Court Convened Meeting of the Equity Shareholders of Jyothy Consumer Products Limited	02
Date : 22nd NOVEMBER, 2012	Explanatory Statement under Section 393(1) (a) and other applicable provisions of the Companies Act, 1956	04
Time : 2.30 PM	Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956	12
Venue : M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai – 400 001	Form of Proxy	22
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Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai – 400 001 on Thursday, 22nd November, 2012 at 2.30 P.M., at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said 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 Company at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059, Maharashtra, not later than 48 (forty eight) hours before the said meeting.

The Hon'ble High Court of Judicature at Bombay has appointed Mr. M. P. Ramachandran, Chairman of the Applicant Company, failing whom Mr. Ullas Kamath, Director of the Applicant Company, failing whom Ms. M.R. Jyothy, Director of the Applicant Company, failing whom Mr. Nilesh B. Mehta, Independent Director of the Applicant Company, to be the Chairman of the said meeting.

A copy each of the Scheme, the Explanatory Statement under Sections 393(1)(a) of the Companies Act, 1956, the Attendance Slip and a Form of Proxy are enclosed herewith.

Dated this 23rd day of October, 2012

sd/-

Mr. M. P. Ramachandran

Chairman appointed for the meeting

Registered Office:

Ujala House, Ramakrishna Mandir Road,
Kondivita, Andheri (East),
Mumbai - 400 059. Maharashtra
e-mail: rajesh.hegde@jyothy.com

Notes:

1. All alterations made in the Form of Proxy should be initialled
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the Equity Shareholders' meeting. The authorised representative of a body corporate or Foreign Institutional Investor (FII) which is a registered Equity Shareholder of the Applicant 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 / FII is deposited at the registered office of the Applicant Company not later than 48 (forty eight hours) before the time of the meeting authorising such representative to attend and vote at the Equity Shareholders' meeting. Proxy need not be a member.

Enclosed: as above

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 726 OF 2012**

In the matter of:

The Companies Act, 1956

And

In the matter of:

Sections 391 to 394 of the Companies Act, 1956

And

In the matter of:

Jyothy Consumer Products Limited, a company incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059, Maharashtra

And

In the matter of:

The Scheme of Amalgamation of

Jyothy Consumer Products Limited (“**Transferor Company**” or “**Applicant Company**”)

With

Jyothy Laboratories Limited

(“**Transferee Company**”)

And

their respective shareholders and creditors

Jyothy Consumer Products Limited, a company incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059, Maharashtra)
) Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393(1)(a) AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956

1. In this statement, Jyothy Consumer Products Limited is referred to as the “**Applicant Company**” or the “**Transferor Company**” and Jyothy Laboratories Limited is referred to as the “**Transferee Company**”. The other definitions contained in the Scheme (defined hereinafter) will also apply to this statement under Section 393(1)(a) and other applicable provisions of the Companies Act, 1956 (“**Act**”) (“**Explanatory Statement**”).
2. Pursuant to an Order dated the 19th day of October, 2012 passed by the Hon’ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, a meeting of the Equity Shareholders of the Applicant Company is being convened at M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers’ Association, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai – 400 001 on Thursday, 22nd November, 2012 at 2.30 P.M., for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed scheme between Applicant Company and Transferee Company and their respective shareholders and creditors (“**Scheme**”) which, *inter alia*, provides for the amalgamation of the Applicant Company with the Transferee Company and their respective shareholders and creditors.
3. A copy of the Scheme setting out in detail the terms and conditions of the amalgamation which has been approved by the Board of Directors of the Applicant Company at its meeting held on June 15, 2012 is attached to this Explanatory Statement.

OVERVIEW

4. The proposed Scheme envisages the amalgamation of the Applicant Company with the Transferee Company with effect from April 1, 2012 (the “**Appointed Date**”).

BACKGROUND

JYOTHY CONSUMER PRODUCTS LIMITED

5. The Applicant Company was incorporated on September 29, 1916 under the Indian Companies Act, VII of 1913 under the name of The Calcutta Chemical Company Limited by the Registrar of Companies under Act VII of 1913 and Registrar of Joint Stock Companies, Bengal and by the Asstt. Registrar of Companies, West Bengal vide Second Certificate of Incorporation Company No. 2735. The name of the Applicant Company was then changed from The Calcutta Chemical Company Limited to Henkel India Limited on August 24, 2004. The name of the Applicant Company was then changed from Henkel India Limited to its present name, Jyothy Consumer Products Limited on August 24, 2012. The corporate identity number of the Applicant Company is L24129MH2003PLC235007.

6. The registered office of the Applicant Company was originally situated in the State of West Bengal. Pursuant to the order of the Company Law board, Eastern Region Bench, Kolkata dated June 27, 2003, the registered office of the Applicant Company was shifted from the State of West Bengal to the State of Tamil Nadu. Pursuant to the order passed by the Company law Board, Chennai dated August 17, 2012, the registered office of the Applicant Company has been shifted from the State of Tamil Nadu to the State of Maharashtra. Presently, the registered office of the Transferor Company is situated at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059, Maharashtra.
7. The Applicant Company is, inter alia, engaged in the business of manufacturing of laundry care products, dishwashing products, toiletries and personal care products.
8. The main objects of the Applicant Company as set out in Clause 3 (A) of its Memorandum of Association are as follows:
 - (a) *"To start, develop and manage chemical and allied industries.*
 - (b) *To manufacture and deal in chemicals, scientific appliances and the like.*
 - (c) *To start a Techno-Chemicals, Laboratory for analytical purposes, and to give expert advice on technical matters.*
 - (d) *To manufacture, buy, sell, import, export, process, treat in or deal in Detergents of all forms, soap, soap chips, and soap powder for commercial, household, industrial and institutional use and/or otherwise, household cleansers, dish washing products, scouring agents, bath and toilet cleansers, glass cleansers, cleaning and rinsing agents, sanitation products and systems for measuring, control and dispensing.*
 - (e) *To manufacture, buy, sell, import, export, process, treat in or otherwise deal in disinfectants, rinsing cleaning, decreasing, and disinfecting agents for industrial and food sectors, decreasing and pickling agents, dispensing, cleaning and disinfecting equipments.*
 - (f) *To carry on the business of manufacturers of and dealers in chemicals, chemical compounds (organic and inorganic) in all forms and chemical products of any nature and kind whatsoever and all by products and joint products thereof.*
 - (g) *To manufacture acids, alkalies, corrosive and anti-corrosive products and substances, all kinds of chemicals and petrochemicals as elements and intermediates, moderates or in mixture or compound forms.*
 - (h) *To carry on the business of manufacturing, buying, selling, importing, exporting, processing, treating in or otherwise dealing in fabric softeners, starches, floor and carpet care products, furniture and Kitchen care products, shoe care products, plant care and plant protection products, cooling lubricants, metal surface treatment products, electroplating chemicals, cleaning and laundering machines, car care products, water treatment products and building maintenance products.*
 - (i) *To carry on the business of manufacturing, buying, selling, importing, exporting or otherwise dealing in all kinds of oils, margarines, fats, perfumes and other substances and ingredients required for the manufacture of the aforesaid products."*
9. Clause 3 (B) sub-clause 32 of the Memorandum of Association of the Applicant Company which contains provision for amalgamation is reproduced herein below:

"32. To sell, exchange, mortgage (with or without power of sale) assign, lease, sublet and generally otherwise with the whole or any part of the business, estate, property or undertakings of the company, as a going concern, to any person or persons, association or associations, or otherwise for such consideration as the company may think fit, either for cash or for shares, debentures, or securities, for any other company having the same objects altogether in part, similar to the objects of the company and to hold or distribute among the members in specie or otherwise the whole or part for consideration for sale or amalgamation with any person, company or association."

Pre Amalgamation Capital Structure of the Applicant/ Transferor Company:

10. The capital structure of the Applicant Company as on March 31, 2012 as per the latest audited balance sheet is as under:

Particulars	Amount (In Rupees)
Authorized Capital	
Equity Shares	
17,20,00,000 equity shares of Rs. 10/- each	172,00,00,000
Preference Shares	
6,80,00,000 redeemable non-cumulative / cumulative preference shares of Rs 10/- each	68,00,00,000
	240,00,00,000
Issued, Subscribed and Paid-up Capital	
Equity Shares	
11,64,64,471 equity shares of Rs. 10/- each, fully paid-up	116,46,44,710
Preference Shares	
2,80,00,000 9% redeemable non-cumulative preference shares of Rs 10/- each	28,00,00,000
4,00,00,000 4% redeemable cumulative preference shares of Rs 10/- each	40,00,00,000
	184,46,44,710

As on date, the Transferee Company holds (i) 97,426,487 outstanding equity shares of the Applicant Company (constituting 83.65% of the equity share capital of the Applicant Company); and (ii) all the paid up preference shares of the Applicant Company. The capital structure of the Applicant Company has not changed since March 31, 2012 till date.

Note: The pre-amalgamation capital structure of the Applicant Company does not take into account any further issuance of shares that may be made subsequently till the Effective Date. Please note that the Applicant Company shall be dissolved without winding up pursuant to the Scheme.

11. The Applicant Company is a public limited company and its equity shares are listed on BSE Limited, Madras Stock Exchange Ltd. and The Calcutta Stock Exchange Ltd.

JYOTHY LABORATORIES LIMITED

12. The Transferee Company was incorporated on January 15, 1992 under the Companies Act, 1956 ('the Act') under the name of Jyothi Laboratories Private Limited by the Registrar of Companies, Kerala vide Certificate of Incorporation No. 09-06352 of 1992. The name of the Transferee Company was then changed from Jyothi Laboratories Private Limited to Jyothi Laboratories Limited on October 6, 1995. Thereafter, the name of the Transferee Company was changed to its present name, Jyothy Laboratories Limited on August 12, 1996. The corporate identity number of the Transferee Company is L24240MH1992PLC128651.
13. The registered office of the Transferee Company was originally situated in the State of Kerala. Pursuant to the order of the Company Law board, Southern Region Bench, Chennai dated April 12, 2000, the registered office of the Transferee Company was shifted from the State of Kerala to the State of Maharashtra from September 11, 2000. Presently, the registered office of the Transferee Company is situated at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai - 400 059.
14. The Transferee Company is, inter alia, in the business of fabric care, household insecticide, utensil cleaners, fragrances and personal care products.
15. The main objects of the Transferee Company as set out in Clause III (A) of its Memorandum of Association are as follows:
- "1. To set up and carry out Research and Development for the manufacture and development of soaps, soap powders, liquid whiteners, whitening agents, washing aids, hygiene products and allied items.*
- 1A. To carry on the business as manufacturers, producers, processors, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in all kinds and varieties of products used for or as personal care, fabric care, air care, hair care, household insecticides, surface cleaning, food and beverages, cosmetic and beauty products, dairy products, mineral water and ayurvedic / herbal based products."*
16. Clause III (B) sub-clause 10 of the Memorandum of Association of the Transferee Company which contains provision for amalgamation is reproduced herein below:
- "10. To amalgamate, enter into partnership or into any arrangements for sharing profits, union of interest, co-operation, joint ventures or reciprocal concession, or for limited competition with any person or company carrying on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as to directly or indirectly benefit the company."*
17. The capital structure of the Transferee Company as on March 31, 2012 as per the latest audited balance sheet is as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
Equity Shares	
12,00,00,000 equity shares of Rs. 1/- each	12,00,00,000
	12,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
Equity Shares	
8,06,32,000 equity shares of Rs. 1/- each, fully paid-up	8,06,32,000
	8,06,32,000

Pre Amalgamation and Post Amalgamation (expected) Capital Structure of the Transferee Company:

The Transferee Company has passed necessary resolutions dated July 3, 2012 approving the (i) increase in its Authorized Share Capital from Rs.12,00,00,000/- to Rs.17,00,00,000/- by addition of 5,00,00,000 equity shares of Rs. 1/- each; and (ii) issuance of bonus shares with face value of Rs. 1/- each to be credited as fully paid up to its existing equity shareholders in proportion of 1 equity share for every 1 equity held by them. Pursuant to the same, the present share capital of the Transferee Company as on September 30, 2012 stands revised as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
Equity Shares	
17,00,00,000 equity shares of Rs. 1/- each	17,00,00,000
	17,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
Equity Shares	
16,12,64,000 equity shares of Rs. 1/- each, fully paid-up	16,12,64,000
	16,12,64,000

The post-amalgamation (expected) capital structure of the Transferee Company will be as follows:

PARTICULARS	AMOUNT (IN RUPEES)
Authorised Share Capital	
Equity Shares 2,570,000,000 equity shares of Rs. 1/- each	2,570,000,000
Issued Subscribed & Paid-up Share Capital	
Equity Shares 166,023,496 equity shares of Rs. 1/- each, fully paid-up	166,023,496

18. The Transferee Company is a public limited company and its equity shares are listed on BSE Limited and National Stock Exchange of India Limited.

RATIONALE AND BENEFITS

19. The background, circumstances and benefits which justify the said Amalgamation are, inter-alia, as follows:

- A. On May 5, 2011, the Transferee Company had executed a Share Purchase Agreement ("SPA") with Henkel AG & Co. KGaA for acquisition of 59,360,203 equity shares, constituting 50.97% of the voting capital of the Applicant Company. Prior thereto, the Transferee Company had also acquired 17,351,686 Equity Shares of the Applicant Company from the open market. The Transferee Company further purchased 6,679,167 Equity shares of the Applicant Company from the open market, post announcement of open offer. The Transferee Company also purchased 40,000,000 4% redeemable cumulative preference shares of the Applicant Company, having a par value of Rs. 10/- each, and 28,000,000 9% redeemable non-cumulative preference shares of the Applicant Company, having a par value of Rs. 10/- each, constituting 100% of the preference share capital of the Applicant Company. The SPA had resulted in the Transferee Company making an open offer in terms of Regulations 10 and 12 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("**Takeover Regulations**") to acquire up to 23,292,895 fully paid-up equity shares of face value Rs.10/- each of the Applicant Company forming 20% of the voting capital of the Applicant Company. The open offer resulted in the Transferee Company acquiring 14,035,431 Equity Shares of the Applicant Company. Following completion of the foregoing transactions, the shareholding of the Transferee Company in the equity share capital of the Applicant Company stands at 83.65%.
- B. The Transferee Company had expressly stated in the letter of offer relating to the open offer that given the commonality of business interests of the Applicant Company and the Transferee Company and synergistic linkages that exist between them, an amalgamation of the Applicant Company into the Transferee Company may enable appropriate consolidation of the activities of the Applicant Company and the Transferee Company with pooling and more efficient utilization of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters. Accordingly, the Board of the Transferee Company had constituted a reorganization committee to explore the possibility of a merger of the Applicant Company and the Transferee Company.
- C. Accordingly, in line with the aforesaid disclosures, the said companies now propose by way of this Scheme to amalgamate the Applicant Company into and with the Transferee Company in accordance with the terms hereof. The background and circumstances which justify the said amalgamation are, inter-alia, as follows:-
 - i. 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 create a stronger base for future growth of the amalgamated entity.
 - ii. The proposed amalgamation will result in administrative and operational rationalization, organizational efficiencies, reduction in overheads and other expenses and optimal utilization of various resources. It will prevent cost duplication that can erode financial efficiencies of the holding structure and the resultant operations would be substantially cost-efficient. Consequently, the Transferee Company will offer a strong financial structure to all creditors including the creditors of the Transferor Company, facilitate resource mobilization and achieve better cash flows. The synergies created by the amalgamation would increase operational efficiency and integrate business functions.
 - iii. The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.
 - iv. The proposed amalgamation, in addition to offering a strong financial structure to all creditors including the creditors of the Transferor Company, would lead to greater cohesiveness in gaining market share, increased brand and customer recognition, a more efficient utilization of resources resulting in cost and operational efficiencies, and create a stronger base for the future growth of the amalgamated entity which will be beneficial for all its stakeholders.

SALIENT FEATURES OF THE SCHEME

20. The salient features of the Scheme of Amalgamation are as follows:

- a. *Upon the coming into effect of this Scheme and with effect from the Appointed Date (i.e. April 1, 2012), the Transferor Company shall stand amalgamated with the Transferee Company and, all the assets and debts, outstandings, credits, liabilities, duties and obligations whatsoever concerning the Transferor Company as on the Appointed Date including the Undertaking of the Transferor Company shall, accordingly, stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in the Transferee Company as provided under Clause 6 of the Scheme.*
- b. *All suits, actions and proceedings of whatsoever nature by or against the Transferor Company may be continued and*

enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme as provided under Clause 8 of the Scheme.

- c. All the employees of the Transferor Company shall become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption in service as a result of amalgamation of the Transferor Company to the Transferee Company as provided in Clause 11 of the Scheme.
- d. The Transferor Company shall conduct its business and activities for and on account of and in trust for the Transferee Company with effect from April 1, 2012 till the Effective Date of the Scheme in terms of Clause 12 of the Scheme.
- e. The authorized share capital of the Transferee Company shall automatically stand increased without any further act or deed on the part of the Transferee Company and without payment of stamp duty and registration fees to the concerned Registrar of Companies to Rs. 252,00,00,000/- divided into 252,00,00,000 equity shares of Re. 1/- (One) each as provided in Clause 14.1 of the Scheme. Further, depending on whether the proposed issuance of bonus shares by the Transferee Company as mentioned in Clause 3.5 of the Scheme, is approved or not approved by the shareholders of the Transferee Company, Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company shall stand amended accordingly and there shall be no need to pass a separate shareholders' resolution for the abovementioned amendment of the Memorandum of Association of the Transferee Company as provided in Clauses 14.2 to 14.5 of the Scheme.
- f. Upon the Scheme coming into effect the Memorandum of Association and the Articles of Association of the Transferee Company shall be amended as provided in Clause 15 of the Scheme.
- g. Upon the Scheme coming into effect, the Transferor Company shall be dissolved without being wound up without any further act by the parties.
- h. Upon coming into effect of the Scheme and in the event the proposed issuance of bonus shares by the Transferee Company as mentioned in Clause 3.5 of the Scheme is not approved by the shareholders of the Transferee Company, the Transferee Company shall, subject to the provisions of the Scheme (including Clause 17 of the Scheme) issue and allot to the Equity Shareholders of the Transferor Company holding fully paid up Equity Shares in the Transferor Company and whose name appears in the Register of Members of the Transferor Company on the Record Date, 1 Equity Share of Re. 1/- each, credited as fully paid in the capital of the Transferee Company for every 8 Equity Share of Rs. 10/- each held by them in the Transferor Company, as provided in Clause 16.1 of the Scheme.
- i. Upon coming into effect of the Scheme and in the event the proposed issuance of bonus shares by the Transferee Company as mentioned in Clause 3.5 of the Scheme is approved by the shareholders of the Transferee Company, the Transferee Company shall, subject to the provisions of the Scheme (including Clause 17 of the Scheme) issue and allot to the Equity Shareholders of the Transferor Company holding fully paid up Equity Shares in the Transferor Company and whose name appears in the Register of Members of the Transferor Company on the Record Date, 1 Equity Share of Re. 1/- each, credited as fully paid in the capital of the Transferee Company for every 4 Equity Share of Rs. 10/- each held by them in the Transferor Company, as provided in Clause 16.2 of the Scheme.
- j. Clause 16.1 or Clause 16.2 of the Scheme, as the case may be, shall be given effect depending on whether the proposed issuance of bonus shares by the Transferee Company as mentioned in Clause 3.5 is approved or not approved by the shareholders of the Transferee Company.
- k. The new Equity Shares to be issued and allotted to the shareholders of the Transferor Company pursuant to Clause 16.1 or Clause 16.2 of the Scheme shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company.
- l. On and from the Effective Date, all equity shares and preference shares which the Transferee Company holds in the Transferor Company (either directly or through nominees) shall get cancelled without any further application, act or deed. It is clarified that no new equity or preference shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of such shares of the Transferor Company.
- m. The Scheme is conditional upon and subject to the approvals and/or sanctions laid down in Clause 23 of the Scheme.

N.B. - The shareholders are requested to read the entire text of the Scheme attached herewith to get better acquainted with the provisions thereof. What is stated hereinabove are just the brief salient features.

GENERAL

21. The Scheme would not be prejudicial to the interests of the creditors (secured and unsecured) of either of the Applicant Company and the Transferee Company. The latest accounts of the Transferee Company and the Applicant Company indicate that they are in a solvent position and would be able to meet liabilities as they arise in the course of business. The aggregate assets of the Transferee Company and the Applicant Company are in excess of, and are more than sufficient to meet all their respective external liabilities and the Scheme will not adversely affect the rights and interest of any of the creditors of any company in any manner whatsoever. Pursuant to the amalgamation of the Applicant Company with the Transferee Company, the debt repayment capacity of the Transferee Company will not be adversely affected. The Transferee Company has a positive net worth and therefore, the appropriation of all the assets and liabilities of the Applicant Company under the Scheme, by the Transferee Company, will not affect or adversely impact the rights of the creditors of the Applicant Company in view of

the strength of the financial position of the Transferee Company as well as the Applicant Company. Further, the Transferee Company is a profit-making company, and it is anticipated that the proposed merger would increase the financial strength of the Transferee Company and would further help in strengthening its position in the industry, in terms of its asset base, revenues, product and service range and production volumes. There is no likelihood that any secured or unsecured creditor of either of the companies would lose or be prejudiced as a result of the Scheme being passed nor are their rights sought to be modified in any manner. Hence, the amalgamation of the Applicant Company will not cast any additional burden on the shareholders or creditors of the Applicant Company and the Transferee Company, nor will it affect the interest of any of the shareholders or creditors.

22. The share exchange ratio was computed and recommended by SSPA & Co, Chartered Accountants (the “Valuer”), who have submitted their report containing their recommendations (the “Valuation Report”).
23. In terms of Clause 24(h) of the Listing Agreement, ENAM Securities Pvt. Ltd, a Category - I merchant banker have given a fairness opinion certifying that the valuation done by the Valuers for determining the share exchange ratio is fair and reasonable.
24. The Board of Directors of the Applicant Company and the Transferee Company have, based on the aforesaid expert advice and on the basis of their independent evaluation and judgment, come to the conclusion that the proposed share exchange ratio is fair and reasonable to the shareholders of the Applicant Company and the Transferee Company and have accepted the suggested ratio.
25. Accordingly the Board of Directors of the Applicant Company and the Transferee Company at their respective meetings held on June 15, 2012 by resolutions approved the exchange ratio arrived at by the Valuer.
26. Further the Board of Directors of the Applicant Company and the Transferee Company at their respective meetings held on June 15, 2012 by resolutions approved the Scheme.
27. The BSE Limited, Madras Stock Exchange Ltd. and The Calcutta Stock Exchange Ltd. have vide their letters dated July 17, 2012, June 26, 2012 and August 23, 2012 respectively granted their no-objection under Clause 24(f) of the Listing Agreement to the said Scheme.
28. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Act against the Transferee Company and the Applicant Company.
29. The following are common directors on the Boards of the Transferee Company and the Applicant Company:

S/No.	Name of Director
1	Mr. M. P. Ramachandran
2	Mr. K. Ullas Kamath
3	Ms. M. R. Jyothy
4	Mr. Nilesh B. Mehta
5	Mr. K. P. Padmakumar
6	Mr. Bipin R. Shah
7	Mr. Ramakrishnan Lakshminarayanan

30. The Directors of the Transferee Company and the Applicant Company may be deemed to be concerned and/or interested in the proposed Scheme to the extent of the shares that may be held by them or by the companies, firms, institutions, trusts of which they are Directors, Partners, Members or Trustees in the Transferee Company or the Applicant Company. None of the Directors of the Transferee Company and/or the Applicant Company have any material interest in the Scheme except as shareholders to the extent, which will appear from the Register of Director's Shareholding maintained by the Transferee Company and the Applicant Company respectively. The shareholding of the present directors of the Transferee Company and the Applicant Company, either individually, as first holder or as a nominee of the Transferee Company and/ or the Applicant Company, in the Transferee Company and/ or the Applicant Company, as on September 30, 2012, is as under:

A. SHAREHOLDING OF DIRECTORS OF TRANSFEE COMPANY

S/No.	Name of Director	Number of Shares of Rs. 1/- each held in Transferee Company	Number of Shares of Rs. 10/- each held in Applicant Company
1	Mr. M. P. Ramachandran	7,18,24,777	Nil
2	Mr. K. Ullas Kamath	14,51,380	Nil
3	Ms. M. R. Jyothy	46,06,834	Nil
4	Mr. S. Raghunandan	84,136	63,101
5	Mr. Nilesh B. Mehta	Nil	Nil
6	Mr. K. P. Padmakumar	Nil	Nil
7	Mr. Bipin R. Shah	100	Nil
8	Mr. Ramkrishnan Lakshminarayanan	Nil	Nil

B. SHAREHOLDING OF DIRECTORS OF APPLICANT COMPANY

S/No.	Name of Director	Number of Shares of Rs. 1/- each held in Transferee Company	Number of Shares of Rs. 10/- each held in Applicant Company
1	Mr. M. P. Ramachandran	7,18,24,777	Nil
2	Mr. K. Ullas Kamath	14,51,380	Nil
3	Ms. M. R. Jyothy	46,06,834	Nil
4	Mr. Nilesh B. Mehta	Nil	Nil
5	Mr. K. P. Padmakumar	Nil	Nil
6	Mr. Bipin R. Shah	100	Nil
7	Mr. Ramkrishnan Lakshminarayanan	Nil	Nil

31. Pursuant to Clause 24(h) of the Listing Agreement with the stock exchanges, the detailed pre amalgamation and post amalgamation (expected) shareholding pattern of the Transferee Company and the Applicant Company are given herein below:

A. Transferee Company

Category of Shareholder	Pre- Amalgamation as on September 30, 2012		Post-Amalgamation	
	Numbers of Equity Shares of Rs. 1/- each	%	Numbers of Equity Shares of Rs. 1/- each	%
Promoter and Promoter Group	10,55,01,224	65.42	10,55,01,224	63.55
Mutual Funds/ UTI	1,02,05,329	6.33	1,02,05,879	6.15
Financial Institutions / Banks	700	0.00	2,848	0.00
Insurance Companies	74,50,300	4.62	74,50,300	4.49
Foreign Institutional Investors	2,47,21,495	15.33	2,47,47,537	14.90
Bodies Corporate	56,23,729	3.49	60,06,691	3.62
Individuals (including Hindu Undivided Family)	71,66,991	4.44	113,80,924	6.86
Clearing Members	1,59,250	0.10	1,62,406	0.10
Office Bearers	1,960	0.00	1,960	0.00
Non-Resident Indians	3,27,856	0.20	4,52,004	0.27
Directors / Relatives	88,736	0.06	88,736	0.05
Trusts	16,430	0.01	20,434	0.01
Shares Kept in Abeyance & fraction shares			2,553	0.00
	16,12,64,000	100.00	16,60,23,496	100.00

Statement showing shareholding of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the Shareholder	Pre- Amalgamation as on September 30, 2012		Post-Amalgamation	
		Numbers of Equity Shares of Rs. 1/- each	%	Numbers of Equity Shares of Rs. 1/- each	%
1	M. P. Ramachandran	7,18,24,777	44.5386	7,18,24,777	43.2618
2	M. P. Divakaran	70,52,656	4.3734	70,52,656	4.2479
3	M. P. Sidharthan	51,82,904	3.2139	51,82,904	3.1217
4	M. R. Deepthy	50,30,032	3.1191	50,30,032	3.0297
5	M. R. Jyothy	46,06,834	2.8567	46,06,834	2.7748
6	M. G. Shanthakumari	36,01,041	2.2330	36,01,041	2.1689
7	U. B. Beena	34,46,600	2.1372	34,46,600	2.0759
8	M. P. Divakaran HUF	19,04,000	1.1807	19,04,000	1.1468
9	K. Ullas Kamath	14,51,380	0.9000	14,51,380	0.8742
10	Sidharthan M. P. HUF	13,20,000	0.8185	13,20,000	0.7950
11	K. K. Sujatha	81,000	0.0502	81,000	0.0487
	TOTAL	10,55,01,224	65.4214	10,55,01,224	63.5459

B. Applicant Company

Category of Shareholder	Pre- Amalgamation as on September 30, 2012	
	Numbers of Equity Shares of Rs. 10/- each	%
Promoters	9,74,26,487	83.65
Mutual Funds	2,200	0.00
Financial Institutions/Banks	8,595	0.01
Foreign Institutional Investors	1,04,168	0.09
Non Resident Indians	4,96,594	0.43
Trusts	16,017	0.01
Clearing Members	12,626	0.01
Bodies Corporate	15,31,850	1.32
Individuals (including Hindu Undivided Family)	1,68,55,734	14.47
Shares Kept in Abeyance	10,200	0.01
Total	11,64,64,471	100.00

Statement showing shareholding of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the Shareholder	Pre- Amalgamation as on September 30, 2012	
		Numbers of Equity Shares of Rs. 10/- each	%
1	Jyothy Laboratories Ltd	9,74,26,487	83.65
	TOTAL	9,74,26,487	83.65

Note: Please note that pursuant to the Scheme, the Applicant Company shall be dissolved without winding-up.

INSPECTION

32. The following documents will be open for inspection at its Registered Office of the Transferee Company situated at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai - 400 059, Maharashtra on any working day [except Saturdays and Sundays and Public Holidays (between 10.00 a.m. to 1 p.m.)] prior to the date of the meeting:
- Memorandum and Articles of Association of the Transferee Company and the Applicant Company;
 - Annual Reports of the Transferee Company and the Applicant Company for the period ended 31st March 2010, 31st March 2011 and 31st March 2012;
 - Audited quarterly results of the of the Applicant Company and the Transferee Company for the period ended September 30, 2012;
 - Certified copy of the Order dated October 19, 2012 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Directions No. 726_of 2012 for the Applicant Company;
 - The valuation report dated 15th June, 2012 issued by M/s SSPA & Co.;
 - Fairness opinion dated 15th June, 2012 issued by ENAM Securities Pvt. Ltd;
 - Register of Directors' shareholdings of the Applicant Company;
 - Copies of the no objection letters dated July 17, 2012, June 26, 2012 and August 23, 2012 received respectively from The BSE Limited, Madras Stock Exchange Ltd. and The Calcutta Stock Exchange Ltd;
 - A copy of the Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained from the registered office of the Applicant Company situated at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai - 400 059, Maharashtra.

Dated this 23rd day of October, 2012

Sd/-

Mr. M. P. Ramachandran
Chairman appointed for the meeting

Registered Office:

Ujala House, Ramakrishna Mandir Road,
Kondivita, Andheri (East),
Mumbai - 400 059, Maharashtra.

Exhibit A
SCHEME OF AMALGAMATION
OF
JYOTHY CONSUMER PRODUCTS LIMITED
WITH
JYOTHY LABORATORIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

PREAMBLE

This Scheme of Amalgamation provides for the amalgamation of Jyothy Consumer Products Limited, a company incorporated under the provisions of the Companies Act, 1913 having its registered office at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059, Maharashtra (“**Transferor Company**”) with Jyothy Laboratories Limited, a company incorporated under the provisions of the Companies Act, 1956 having its registered office at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai - 400 059, Maharashtra (“**Transferee Company**”), pursuant to the relevant provisions of the Companies Act, 1956.

1. DEFINITIONS

In this Scheme, unless repugnant to or inconsistent with the meaning or context thereof, the following expressions shall have the following meanings:

- 1.1. “**Act**” or “**the Act**” means the Companies Act, 1956, or any modifications or re-enactment thereof from time to time;
- 1.2. “**Appointed Date**” means April 1, 2012 or such other date as may be mutually agreed in writing by the Board of Directors of the Transferor Company and the Transferee Company;
- 1.3. “**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 or any person authorized by the respective board of directors or any person authorized by such committee of directors;
- 1.4. “**CCI**” shall mean the Competition Commission of India established under the Competition Act, 2002;
- 1.5. “**Effective Date**” means the last of the dates specified in Clause 23 of this Scheme;
- 1.6. “**Governmental Authority**” means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- 1.7. “**High Court**” means the High Court of Judicature at Bombay or the National Company Law Tribunal, as applicable;
- 1.8. “**Record Date**” means the date to be fixed by the Board of Directors of the Transferee Company for determining names of the shareholders of the Transferor Company, who shall be entitled to receive equity shares of the Transferee Company under the Scheme upon amalgamation of Transferor Company into the Transferee Company;
- 1.9. “**Scheme**” or “**the Scheme**” or “**this Scheme**” or “**Scheme of Amalgamation**” means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 21 of this Scheme or any modifications approved or directed by the High Court;
- 1.10. “**Transferee Company**” means Jyothy Laboratories Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai - 400 059, Maharashtra;
- 1.11. “**Transferor Company**” means Jyothy Consumer Products Limited, a company incorporated under the Indian Companies Act, 1913 having its registered office at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059, Maharashtra.

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.

2. DESCRIPTION OF COMPANIES

- 2.1. The Transferor Company is, *inter alia*, engaged in the business of manufacturing of laundry care products, dishwashing products, toiletries and personal care products. The equity shares of the Transferor Company are listed on BSE Limited, Madras Stock Exchange Ltd. and The Calcutta Stock Exchange Ltd.
- 2.2. The Transferee Company is, *inter alia*, engaged in the business of fabric care, household insecticide, utensil cleaners, fragrances and personal care products. The equity shares of the Transferee Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

3. CAPITAL STRUCTURE

3.1. As on March 31, 2012, the share capital of the Transferor Company is as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
Equity Shares	
17,20,00,000 equity shares of Rs. 10/- each	172,00,00,000
Preference Shares	
6,80,00,000 redeemable non-cumulative / cumulative preference shares of Rs 10 each	68,00,00,000
	240,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
Equity Shares	
11,64,64,471 equity shares of Rs. 10/- each, fully paid-up	116,46,44,710
Preference Shares	
2,80,00,000 9% redeemable non-cumulative preference shares of Rs 10 each	28,00,00,000
4,00,00,000 4% redeemable cumulative preference shares of Rs 10 each	40,00,00,000
	184,46,44,710

3.2. Subsequent to March 31, 2012, there has been no change in the share capital structure of the Transferor Company.

3.3. As on date, the Transferee Company holds (i) 97,426,487 outstanding equity shares of the Transferor Company (i.e. 83.66% of the equity share capital of the Transferor Company); and (ii) all the paid up preference shares of the Transferor Company.

3.4. As on March 31, 2012, the share capital of the Transferee Company is as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
Equity Shares	
12,00,00,000 equity shares of Rs. 1/- each	12,00,00,000
	12,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
Equity Shares	
8,06,32,000 equity shares of Rs. 1/- each, fully paid-up	8,06,32,000
	8,06,32,000

3.5. On May 23, 2012, the Transferee Company has initiated a postal ballot process under Section 192A of the Act for obtaining shareholder's approval for (i) increase in Authorized Share Capital from Rs.12,00,00,000/- to Rs.17,00,00,000/- by addition of 5,00,00,000 equity shares of Rs. 1/- each; and (ii) issuance of bonus shares with face value of Rs. 1/- each to be credited as fully paid up to its existing equity shareholders in proportion of 1 equity share for every 1 equity share held by them. In the event, the above resolutions are passed by the members of the Transferee Company, the share capital of the Transferee Company shall stand revised as under:

Particulars	Amount (In Rupees)
<u>Authorized Capital</u>	
Equity Shares	
17,00,00,000 equity shares of Rs. 1/- each	17,00,00,000
	17,00,00,000
<u>Issued, Subscribed and Paid-up Capital</u>	
Equity Shares	
16,12,64,000 equity shares of Rs. 1/- each, fully paid-up	16,12,64,000
	16,12,64,000

4. BACKGROUND AND RATIONALE FOR THE SCHEME

4.1. On May 5, 2011, the Transferee Company had executed a Share Purchase Agreement ("SPA") with Henkel AG & Co. KGaA for acquisition of 59,360,203 equity shares, constituting 50.97% of the voting capital of the Transferor Company. Prior thereto, the Transferee Company had also acquired 17,351,686 Equity Shares of the Transferor Company from the open market. The Transferee Company further purchased 6,679,167 Equity shares of the Transferor Company from the open market, post announcement of open offer. The Transferee Company also purchased 40,000,000 4% redeemable cumulative preference

shares of the Transferor Company, having a par value of Rs. 10/- each, and 28,000,000 9% redeemable noncumulative preference shares of the Transferor Company, having a par value of Rs. 10/- each, constituting 100% of the preference share capital of the Transferor Company. The SPA had resulted in the Transferee Company making an open offer in terms of Regulations 10 and 12 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (**"Takeover Regulations"**) to acquire up to 23,292,895 fully paid-up equity shares of face value Rs.10/- each of the Transferor Company forming 20% of the voting capital of the Transferor Company. The open offer resulted in the Transferee Company acquiring 14,035,431 Equity Shares of the Transferor Company. Following completion of the foregoing transactions, the shareholding of the Transferee Company in the equity share capital of the Transferor Company stands at 83.66%.

- 4.2. The Transferee Company had expressly stated in the letter of offer relating to the open offer that given the commonality of business interests of the Transferor Company and the Transferee Company and synergistic linkages that exist between them, an amalgamation of the Transferor Company into the Transferee Company may enable appropriate consolidation of the activities of the Transferor Company and the Transferee Company with pooling and more efficient utilization of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters. Accordingly, the Board of the Transferee Company had constituted a reorganization committee to explore the possibility of a merger of the Transferor Company and the Transferee Company.
- 4.3. Accordingly, in line with the aforesaid disclosures, the said companies now propose by way of this Scheme to amalgamate the Transferor Company into and with the Transferee Company in accordance with the terms hereof. The background and circumstances which justify the said amalgamation are, inter-alia, as follows:-
 - 4.3.1. 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 create a stronger base for future growth of the amalgamated entity.
 - 4.3.2. The proposed amalgamation will result in administrative and operational rationalization, organizational efficiencies, reduction in overheads and other expenses and optimal utilization of various resources. It will prevent cost duplication that can erode financial efficiencies of the holding structure and the resultant operations would be substantially cost-efficient. Consequently, the Transferee Company will offer a strong financial structure to all creditors including the creditors of the Transferor Company, facilitate resource mobilization and achieve better cash flows. The synergies created by the amalgamation would increase operational efficiency and integrate business functions.
 - 4.3.3. The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.
 - 4.3.4. The proposed amalgamation, in addition to offering a strong financial structure to all creditors including the creditors of the Transferor Company, would lead to greater cohesiveness in gaining market share, increased brand and customer recognition, a more efficient utilization of resources resulting in cost and operational efficiencies, and create a stronger base for the future growth of the amalgamated entity which will be beneficial for all its stakeholders.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of the said companies. Accordingly, the Board of Directors of both Transferor Company and Transferee Company have formulated this Scheme for the transfer and vesting of the entire undertaking and business of the Transferor Company with and into the Transferee Company pursuant to the provisions of Section 391 to Section 394 and other relevant provisions of the Act.

5. DATE OF TAKING EFFECT

The Scheme shall be operative from the Appointed Date mentioned herein but shall be effective from the Effective Date. Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" shall be construed to be a reference to the Effective Date.

6. AMALGAMATION OF COMPANIES

- 6.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferor Company shall stand amalgamated with the Transferee Company, as provided in the Scheme, and, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act, all the assets and debts, outstandings, credits, liabilities, duties and obligations whatsoever concerning the Transferor Company as on the Appointed Date shall, accordingly, stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in the Transferee Company, as set out in Clauses 6.1.1 to 6.1.5 hereunder.
 - 6.1.1 In respect of such of the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery, they shall be physically handed over by manual delivery or endorsement and delivery, the same may be so transferred by the Transferor Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company to the end and intent that the ownership and property therein passes to the Transferee Company on such handing over in pursuance of the provisions of Section 394 of the Act.

It is hereby clarified that the plant and machinery of the Transferor Company, which are fastened to land and/or buildings shall continue to remain movable properties inter alia because the said plant and machinery are fastened to land only with a view to have better enjoyment of the movable properties.

- 6.1.2. In respect of such of the assets belonging to the Transferor Company other than those referred to in sub-clause 6.1.1 above, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and / or be deemed to be transferred to and stand vested in the Transferee Company pursuant to the provisions of Section 394 of the Act.
- 6.1.3. In relation to the assets belonging to the Transferor Company, which require separate documents of transfer, the parties will execute the necessary documents, as and when required.
- 6.1.4. The transfer and vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/or encumbrances shall be confined only to the relative assets of the Transferor Company or part thereof on or over which they are subsisting on transfer to and vesting of such assets in the Transferee Company and no such charges, mortgages, and/or encumbrances shall be enlarged or extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to any assets of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security.
- 6.1.5. In respect of the debts, liabilities, duties and obligations of the Transferor Company, it is hereby clarified that 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.
- 6.2. For the removal of doubt, it is clarified that to the extent that there are inter-company loans, deposits, obligations, balances or other outstandings as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

7. APPLICABILITY OF THE PROVISIONS OF THE INCOME TAX ACT, 1961

- 7.1. This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.
- 7.2. Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961 (including for minimum alternate tax, wealth tax purposes and other tax benefits), central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- 7.3. All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. In the event of the Transferor Company failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 7.4. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 7.5. Any tax liabilities under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 7.6. Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.

- 7.7. The tax payments (including, without limitation income tax, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.8. Further, any tax deducted at source by Transferor Company/ Transferee Company on transactions with the Transferee Company/ Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.9. Further, any tax deducted at source by the Transferor Company on interest accrued, if any (from Appointed Date to Effective Date) and payable to the Transferee company but on account of Clause 6.2 has been deemed to be not accruing, shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 7.10. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 7.11. Upon the coming into effect of this Scheme and subject to the provisions of Section 72A of the Income Tax Act, 1961, the accumulated and unabsorbed tax losses and the allowance for unabsorbed depreciation of the Transferor Company upto the Appointed Date shall be transferred to the Transferee Company.
- 7.12. Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, service tax, excise duty, central sales tax, applicable state value added tax etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.

8. LEGAL PROCEEDINGS

If any suits, actions and proceedings of whatsoever nature (hereinafter referred to as the “**Proceedings**”) by or against the Transferor Company are pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.

9. CONTRACTS AND DEEDS

- 9.1. All contracts, deeds, bonds, agreements, arrangements, incentives, licences, engagements registrations and other instruments of whatsoever nature to which the Transferor Company are parties or to the benefit of which the Transferor Company may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- 9.2. The Transferee Company shall, if and to the extent required by law, enter into and/or issue and/or execute deeds, writings or confirmations, to give formal effect to the provisions of this Clause and to the extent that the Transferor Company is required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company.

10. SAVING OF CONCLUDED TRANSACTIONS

The transfer of the assets and liabilities of the Transferor Company under Clause 6 above, the continuance of Proceedings under Clause 8 above and the effectiveness of contracts and deeds under Clause 9 above, shall not affect any transaction or Proceedings already concluded by the Transferor Company on or before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

11. EMPLOYEES

- 11.1. All the employees of the Transferor Company in service on the Effective Date shall, on and from the Effective Date, become the employees of the Transferee Company. All employees of the Transferor Company in service on the Effective Date to whom provisions of Industrial Disputes Act, 1947 apply, shall, on and from the Effective Date, become the employees of the Transferee Company on the terms and conditions not less favourable than those on which they were engaged on the Effective Date.
- 11.2. On and from the Effective Date, the services of the employees of the Transferor Company will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of the said Funds (as defined herein below).
- 11.3. With regard to provident fund and gratuity fund or any other special funds or schemes created or existing for the benefit of such employees (hereinafter referred to as the “said Funds”) of the Transferor Company, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the administration or operation of such schemes or funds in relation to the obligations to make contributions to the said Funds in accordance with the provisions of such schemes or funds in the respective Trust Deeds or other documents. It is the aim and intent of the

Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. For this purpose, the trusts created by the Transferor Company shall be transferred and/or continued by the Transferee Company, if permitted by law, failing which the Transferee Company shall establish similar trusts ensuring that there is continuity in this regard. The Trustees, including the respective Board of Directors of the Transferor Company and the Transferee Company, shall be entitled to adopt such course of action in this regard, as may be advised, provided however that there shall be no discontinuation or breakage in the service of the employees of the Transferor Company. Notwithstanding the above the Board of Directors of the Transferee Company if it deems fit and subject to applicable law shall be entitled to retain separate trust within the Transferee Company for the erstwhile fund of the Transferor Company.

12. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

- 12.1. 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 of the respective assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertake to hold the said assets with utmost prudence until the Effective Date.
- 12.2. The Transferor Company shall carry on their respective businesses and activities with reasonable diligence, business prudence and shall not (without the prior written consent of the Transferee Company) alienate, charge, mortgage, encumber or otherwise deal with or dispose of the undertaking or any part thereof (except in the ordinary course of business).
- 12.3. All the profits or income, taxes (including but not limited to advance tax and tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 12.4. On and after the Appointed Date and until the Effective Date, the Transferor Company shall not without the prior written approval of the Board of Directors of the Transferee Company:
 - 12.4.1. except as contemplated under the Scheme, issue or allot any further securities, either by way of rights or bonus or otherwise; or
 - 12.4.2. utilize, subject to Clause 13.1 below, the profits, if any, for any purpose including of declaring or paying any dividend.
- 12.5. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the undertaking and to carry on the business of the Transferor Company.

13. DIVIDENDS

- 13.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the Board of Directors of the Transferee Company, as mentioned in Clause 12.4.3 above.
- 13.2. Subject to the provisions of the Scheme, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.
- 13.3. It is clarified that the aforesaid provisions in respect of declaration of dividends 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 said Act, shall be entirely at the discretion of the Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.

14. COMBINATION OF AUTHORISED CAPITAL

- 14.1. Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the relevant Registrar of Companies, by the authorized share capital of the Transferor Company amounting to Rs. 240,00,00,000/- and the Memorandum of Association and Articles 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, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 16, 31, 94 and 394 and applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.
- 14.2. Pursuant to the Scheme becoming effective and consequent upon the amalgamation of the Transferor Company into the Transferee Company and in the event the proposed increase in Authorised Share Capital of the Transferee Company as mentioned in Clause 3.5 is not approved by the members of the Transferee Company, the authorized share capital of the Transferee Company will be as under:

AUTHORISED SHARE CAPITAL:	(Rs.)
252,00,00,000 equity shares of Rs. 1/- each	252,00,00,000/-

- 14.3. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act, and Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company shall, in the event the proposed increase in Authorised Share Capital of the Transferee Company as mentioned in Clause 3.5 is not approved by the members of the Transferee Company, respectively stand substituted by virtue of the Scheme to read as follows:

Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

Clause V of the Memorandum of Association:

"The Authorised Share Capital of the Company is Rs. 252,00,00,000 (Rupees Two Hundred Fifty Two Crores only) divided into 252,00,00,000 (Two Hundred Fifty Two Crores) equity shares of Rs. 1/- (Rupee One) each."

Article 3 of the Articles of Association of the Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

"The Authorised Share Capital of the Company is Rs. 252,00,00,000 (Rupees Two Hundred Fifty Two Crores only) divided into 252,00,00,000 (Two Hundred Fifty Two Crores) equity shares of Rs. 1/- (Rupee One) each."

- 14.4. Pursuant to the Scheme becoming effective and consequent upon the amalgamation of the Transferor Company into the Transferee Company and in the event the proposed increase in Authorised Share Capital of the Transferee Company as mentioned in Clause 3.5 is approved by the members of the Transferee Company, the authorized share capital of the Transferee Company will be as under:

AUTHORISED SHARE CAPITAL:	(Rs.)
257,00,00,000 equity shares of Rs. 1/- each	257,00,00,000/-

- 14.5. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act, and Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company shall, in the event the proposed increase in Authorised Share Capital of the Transferee Company as mentioned in Clause 3.5 is approved by the members of the Transferee Company, respectively stand substituted by virtue of the Scheme to read as follows:

Clause V of the Memorandum of Association of the Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

Clause V of the Memorandum of Association:

"The Authorised Share Capital of the Company is Rs. 257,00,00,000 (Rupees Two Hundred Fifty Seven Crores only) divided into 257,00,00,000 (Two Hundred Fifty Seven Crores) equity shares of Rs. 1/- (Rupee One) each."

Article 3 of the Articles of Association of the Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

"The Authorised Share Capital of the Company is Rs. 257,00,00,000 (Rupees Two Hundred Fifty Seven Crores only) divided into 257,00,00,000 (Two Hundred Fifty Seven Crores) equity shares of Rs. 1/- (Rupee One) each"

15. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF TRANSFEE COMPANY

- 15.1. Upon coming into effect of the Scheme, the existing Clause No. 1A in the Main Object of the Memorandum of Association of the Transferee Company shall be deleted and the following new Object Clause 1A shall be inserted in the Main Objects Clause of the Memorandum of Association of the Transferee Company:

"1A. To carry on the business as manufacturers, producers, processors, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in all kinds and varieties of products used for or as personal care including soap, perfumes, toothpaste, tooth brush and other substances, cream, powders, shaving products like cream, gel, foam, brush, blades, blade cartridges, razors and the like; fabric care including detergents of all forms, soap, soap chips, soap powder, fabric whitener, fabric softeners, starches and cleaning and laundry machines; dishwashing products and scouring agents; dish washing machines; air care; hair care including shampoos, conditioners, hair oil, cream and gel, hair dyes; nail care; eye care; household cleansers including bath and toilet cleansers, glass cleansers, cleaning and rinsing agents, sanitation products and systems for measuring, control and dispensing; carpet care; furniture and kitchen care; shoe care; insecticides in all forms / substances including household insecticides, mosquito and insect repellants, rats and reptile repellants and dispensing products; plant care and plant protection; surface care including disinfectants, rinsing, cleaning, decreasing and disinfecting agents, decreasing and pickling agents,

dispensing, cleaning and disinfecting equipment; metal surface treatment products; car care including cooling lubricants; water treatment and building maintenance; cosmetic and beauty products; ayurvedic / herbal products and mineral water, foods, beverages and dairy products.”

- 15.2. It shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 17 of the Act. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 17 of the Act for the amendments of the Memorandum of Association of the Transferee Company as above.
- 15.3. In order to carry on the activities currently being carried on by the Transferor Company, upon the approval of the Scheme by the respective members of the Transferor Company and the Transferee Company pursuant to Section 391 of the Act, it shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 149 (2A) of the Act or any other provisions of the Act for the commencement of any business or activities currently being carried on by the Transferor Company in relation to any of the objects contained in the Memorandum of Association of the Transferee Company, to the extent the same may be considered applicable. In particular, the Transferee Company would be allowed to commence the new business added as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 149 (2A) of the Act.

16. ISSUE OF SHARES BY THE TRANSFEE COMPANY

- 16.1 Upon coming into effect of the Scheme and in consideration of the transfer and vesting of all the assets and liabilities and the entire business and the whole of the undertaking of the Transferor Company to the Transferee Company in terms of the Scheme and in the event the proposed issuance of bonus shares by the Transferee Company as mentioned in Clause 3.5 is not approved by the members of the Transferee Company, the Transferee Company shall, subject to the provisions of the Scheme (including Clause 17 hereof) and without any further application, act or deed, issue and allot 1 (One) equity shares of Rs. 1/- each fully paid up in its capital in respect of every 8 (Eight) equity shares of Rs. 10/- each fully paid up in the equity share capital of the Transferor Company to the shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company as on the Record Date to be fixed by the Board of Directors of the Transferee Company or a duly constituted committee of such Board of Directors. The equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company in accordance with this Clause shall be hereinafter referred to as **“New Equity Shares”**.
- 16.2 Upon coming into effect of the Scheme and in consideration of the transfer and vesting of all the assets and liabilities and the entire business and the whole of the undertaking of the Transferor Company to the Transferee Company in terms of the Scheme and in the event the proposed issuance of bonus shares by the Transferee Company as mentioned in Clause 3.5 is approved by the members of the Transferee Company, the Transferee Company shall, subject to the provisions of the Scheme (including Clause 17 hereof) and without any further application, act or deed, issue and allot 1 (One) equity shares of Rs. 1/- each fully paid up in its capital in respect of every 4 (Four) equity shares of Rs. 10/- each fully paid up in the equity share capital of the Transferor Company to the shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company (or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company as on the Record Date to be fixed by the Board of Directors of the Transferee Company or a duly constituted committee of such Board of Directors. The equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company in accordance with this Clause shall be hereinafter referred to as **“New Equity Shares”**.
- 16.3 It is hereby clarified that either Clause 16.1 or Clause 16.2, as the case may be, shall be given effect depending on whether the proposed issuance of bonus shares by the Transferee Company as mentioned in Clause 3.5 is approved or not approved by the members of the Transferee Company.
- 16.4 Where New Equity Shares of the Transferee Company are to be allotted to heirs, executors or administrators, as the case may be, to successors of deceased equity shareholders or legal representatives of the equity shareholders of the Transferor Company, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.
- 16.5 The New Equity Shares of the Transferee Company allotted and issued in terms of Sub Clauses 16.1 or Clause 16.2 above, as the case may be, shall be listed and/or admitted to trading on the relevant Stock Exchanges, where the equity shares of the Transferee Company are listed and/or admitted to trading as on the Effective Date. The New Equity Shares of the Transferee Company shall however be listed subject to the Transferee Company obtaining the requisite approvals from all the relevant regulatory authorities pertaining to the listing of the New Equity Shares of the Transferee Company.
- 16.6 Upon the Scheme becoming effective and upon the New Equity Shares of the Transferee Company being allotted and issued by it to the shareholders of the Transferor Company whose names appear on the Register of Members of the Transferor Company on the Record Date or whose names appear as the beneficial owners of the equity shares of the said Company in the records of the Depositories or Register of Members as the case may be as on the Record Date to be fixed by the Board of Directors of the Transferee Company or a duly constituted committee of such Board of Directors, the equity shares of the Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, the Transferee Company may, instead of requiring the surrender of the share certificates of the Transferor Company, directly issue and dispatch the new share certificates of the Transferee Company in lieu thereof.

- 16.7 The New Equity Shares of the Transferee Company to be allotted and issued to the shareholders of the Transferor Company as provided in Clause 16.1 or Clause 16.2 above, as the case may be, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank pari-passu in all respects with the equity shares of the Transferee Company after the Effective Date including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.
- 16.8 The issue and allotment of New Equity Shares by the Transferee Company to the shareholders of the Transferor Company as provided in the Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act, and such other statutes and regulations as may be applicable were duly complied with.
- 16.9 Notwithstanding anything contained herein, in the event of any shareholder of the Transferor Company having a shareholding such that such shareholder becomes entitled to a fraction of the New Equity shares, all the fractional entitlements of the shareholders shall be aggregated and without any further act, deed or thing to be done, such consolidated New Equity Shares shall stand vested in trustees of a trust to be set up by the Board of the Transferee Company. Such trustees shall dispose off the aggregate of all such fractional holdings and distribute the net proceeds (after deduction of expenses incurred and taxes, if any) to the respective shareholders of the Transferor Company in proportion to their respective fractional entitlement.
- 16.10 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold shares of the Transferor Company in dematerialized form, provided all details relating to account with depository participant are available with the Transferee Company. All those equity shareholders who hold equity shares of the Transferor Company in physical form, shall be issued New Equity Shares in the Transferee Company in physical or electronic form, at the option of such shareholders to be exercised by them on or before the Record Date, by giving a notice in writing to the Transferee Company.

17. CANCELLATION OF SHARES HELD BY TRANSFEE COMPANY IN TRANSFEROR COMPANY

On and from the Effective Date, all equity shares and preference shares which the Transferee Company holds in the Transferor Company (either directly or through nominees) shall get cancelled without any further application, act or deed. It is clarified that no new equity or preference shares shall be issued or payment made in cash whatsoever by the Transferee Company in lieu of such shares of the Transferor Company.

18. DISSOLUTION OF THE TRANSFEROR COMPANY

- 18.1 On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up without any further act by the parties.
- 18.2 On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the relevant Registrar of Companies. The Transferee Company shall make necessary filings in this regard.

19. ACCOUNTING TREATMENT

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

- 19.1 Amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with 'Purchase Method' of accounting as per Accounting Standard 14 notified pursuant to the Companies (Accounting Standard) Rules, 2006, (as amended), and the assets and liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this Scheme shall be recorded at their fair values as determined by the Board of Directors of Transferee Company.
- 19.2 The investments held by the Transferee Company in the Transferor Company shall stand cancelled and there shall be no further obligation/ outstanding in that behalf.
- 19.3 The inter-corporate investments and inter-corporate deposits / loans and advances outstanding between the Transferee Company and the Transferor Company shall stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 19.4 The Transferee Company shall issue the New Equity Shares at fair value. The Transferee Company shall credit the aggregate face value of the New Equity Shares issued to Share Capital Account. The premium on the New Equity Shares shall be credited to the Securities Premium account of the Transferee Company.
- 19.5 Any excess of the amount of the consideration (as per Clause 19.4) over the value of net assets of the Transferor Company acquired by the Transferee Company (as per Clause 19.1) and after giving effect to Clauses 19.2 and 19.3 above shall be adjusted in the Transferee Company's financial statements as Goodwill arising on amalgamation. If the amount of the consideration (as per Clause 19.4), after giving effect to Clauses 19.2 and 19.3 above, is lower than the value of net assets acquired (as per Clause 19.1), the difference shall be treated as Capital Reserve.

20. APPLICATIONS TO THE HIGH COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications to the High Court where the respective registered offices of the Transferor Company and the Transferee Company are situated, for sanctioning this Scheme under Sections 391 to 394 of the Act for an order or orders thereof for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

21. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 21.1 The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may consent to any modifications/amendments to the Scheme, or to any conditions or limitations that the High Court or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the High Court or such other Government Authority, whether in pursuance of a change in law or otherwise. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- 21.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and 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.

22. VALIDITY OF EXISTING RESOLUTIONS, ETC

Upon the coming into effect of the Scheme, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of Transferee Company which are validly subsisting be considered as resolutions of Transferee Company. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of Transferee Company, shall be added to the limits, if any, under the like resolutions passed by Transferee Company.

23. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

- 23.1 The Scheme is conditional upon and subject to:
- 23.1.1 approval of the Scheme by the requisite majority of each class of the respective members and creditors of the Transferor Company and the Transferee Company as may be directed by the High Court;
 - 23.1.2 sanctions and orders under the provisions of Section 391 read with Section 394 of the Act being obtained by the Transferor Company and the Transferee Company from the High Court;
 - 23.1.3 if required, the approval of the CCI as may be required under the Competition Act, 2002 and any rules, regulations made therein.
- 23.2 This Scheme, although to come into operation from the Appointed Date, shall not become effective until the last of the following dates, namely:
- 23.2.1. that on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 18.1 shall be obtained or passed; or
 - 23.2.2. that on which all necessary authenticated copies of orders under Sections 391 and 394 of the Act shall be duly filed with the relevant Registrar of Companies.

The last of such dates shall be the “**Effective Date**” for the purpose of this Scheme.

24. REVOCATION OF THE SCHEME

- 24.1 In the event of any of the said approvals referred to in Clause 23 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court and/or order or orders not being passed as aforesaid by March 31, 2013 or such other date as may be mutually agreed upon by the respective Board of Directors of the Transferor Company and the Transferee Company (who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect.
- 24.2 In the event of revocation under Sub Clause 24.1, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed.
- 24.3 The Boards of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme could have adverse implications on Transferor Company and/ or the Transferee Company.

25. COSTS

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

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 726 OF 2012**

In the matter of:
The Companies Act, 1956
And

In the matter of:
Sections 391 to 394 of the Companies Act, 1956
And

In the matter of:
Jyothy Consumer Products Limited, a company incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059, Maharashtra
And

In the matter of:
The Scheme of Amalgamation of
Jyothy Consumer Products Limited (“**Transferor Company**” or “**Applicant Company**”)
With
Jyothy Laboratories Limited
 (“**Transferee Company**”)
And

their respective shareholders and creditors

Jyothy Consumer Products Limited, a company incorporated under the provisions)
of the Indian Companies Act, 1913 and having its registered office at Ujala)
House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai – 400 059,)
Maharashtra) Applicant Company

FORM OF PROXY

I/we, the undersigned, being the equity shareholder(s), of Jyothy Consumer Products Limited (the “**Applicant Company**” or “**Transferor Company**”) do hereby appoint _____ of _____; and failing him _____ of _____, as my/our proxy, to act for me/us at the Court convened meeting of Equity Shareholders to be held at M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai – 400 001 on Thursday, 22nd November, 2012 at 2.30 P.M., for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed scheme of amalgamation which *inter alia* provides for the merger of the Applicant Company with Jyothy Laboratories Limited (the “**Transferee Company**”) (the “**Scheme**”) and at such meeting and any adjournment thereof, to vote, for me/us and in my name/our name(s) _____ (here, if for, insert 'for', if against, insert 'against' and in the latter case strike out the words “either with or without modifications” after the word “Arrangement”) the said arrangement embodied in the Scheme either with or without modification(s).

Dated this _____ th day of _____, 2012.

Name: _____

Address: _____



Signature across the Stamp

(For Demat holding)

DP.ID. _____ Folio No. _____ Client ID. _____

No. of Shares held. _____ Signature of Sole Holder/First Holder _____

Second Holder _____ Third Holder _____

Notes:

1. Proxy need not to be a member.
2. Alterations, if any made in the Form of Proxy should be initialed.
3. Proxy must be deposited at the Registered Office of the Applicant Company, not later than 48 hours before the time scheduled/fixed for the said meeting.
4. In case of multiple proxies, the proxy later in time shall be accepted.

JYOTHY CONSUMER PRODUCTS LIMITED

Registered Office: Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai - 400 059, Maharashtra

ATTENDANCE SLIP

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

DP. ID*		Folio No	
Client ID*		No. of Share(s) held	

NAME AND ADDRESS OF THE EQUITY SHAREHOLDER (in block letters):

NAME AND ADDRESS OF THE PROXY HOLDER (in block letters, to be filled in by the proxy attending instead of the Equity Shareholders):

I hereby record my presence at the Court convened meeting, pursuant to the Order dated October 19, 2012, of the Hon'ble High Court of Judicature at Bombay of the Equity Shareholders of the Company at M. C. Ghia Hall, Indian Textile Accessories & Machinery Manufacturers' Association, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai – 400 001 on Thursday, 22nd November, 2012 at 2.30 P.M.

Signature of the Equity Shareholder or proxy: _____

* Applicable for shareholders holding shares in dematerialised form.

Notes:

1. Shareholders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it.
2. Shareholders who come to attend at the meeting are requested to bring with them copy of the notice & scheme of amalgamation.

Registered Post A.D. / Courier

To,

If undelivered please return to:

JYOTHY CONSUMER PRODUCTS LIMITED

Ujala House, Ramakrishna Mandir Road,

Kondivita, Andheri (East),

Mumbai - 400 059, Maharashtra