COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION
OF
SERVOTECH INDIA LIMITED [STIL] [TRANSFEROR COMPANY]
AND
SERVOTEACH INDUSTRIES LIMITED [SIL] [TRANSFEREE COMPANY]
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 OF THE COMPANIES ACT, 2013)

PREAMBLE

This composite Scheme provides for the Arrangement and Amalgamation under Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013 for undertaking financial restructuring and reconstruction of SERVOTEACH INDUSTRIES LIMITED (Formerly Known as Servotech Engineering Industries Limited) (SIL) (Transferee Company) whereby Transferee Company would write off part of the debit balance in Profit & Loss account to the extent of Rs. 1,17,87,000/- by cancelling 11,78,700 Equity Shares of Rs. 10/- each in the existing paid up Equity Share Capital of the Transferee Company and post Reduction of Capital will amalgamate SERVOTECH INDIA LIMITED (STIL) (Transferor Company) with SERVOTEACH INDUSTRIES LIMITED (SIL) (Transferee Company) as detailed in the Composite Scheme of Arrangement and Amalgamation as detailed below:

BENEFITS OF THE SCHEME

The background and circumstances which justify the said arrangement are inter- alia as follows:

a. Continuous losses have substantially wiped off the value represented by the Share Capital thus the financial statements do not reflect the correct picture of the health of the Company.

b. For ensuring that the financial statements of the Company reflect the real picture and the Capital which is lost, is not continued to be shown on the face of balance sheet it is necessary to carry out reduction of capital of the Company.

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c. Since writing off of losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise whereby the Company would create a "Capital Restructuring Account" from its paid up Equity Share Capital.

d. The reduction of capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.

e. This Composite Scheme of Arrangement and Amalgamation is presented with a view to achieve Restructuring of the Transferee company which would result in increase in the net worth of the Transferee Company and improvement in financial health as more business activities shall be brought into the Transferee Company thereby preventing it from becoming a sick company.

f. The restructuring of the Transferee Company proposed under the Scheme does not envisage any payment to any shareholder of any paid-up share capital.

g. Hence, the proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.

h. SERVOTEACH INDUSTRIES LIMITED and SERVOTECH INDIA LIMITED both are with a view to take advantage of consolidation in the current competitive environment, it is proposed to consolidate operations and amalgamate the two companies, which would result in benefits from economies of scale of operations and increased market share.

i. Simplified group and business structure.

j. The existence of independent companies at times result in duplication of efforts and the integration and combination of such businesses will lead to greater and optimal utilization of resources. The amalgamation would, therefore, enable the Transferee Company to increase operations and confer a competitive advantage on the entire business. With integrated processes, the Transferee Company can achieve higher scales of operation.

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k. Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.

l. Better efficiency in cash management of the amalgamated entity, and unfettered access to cash-flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.

m. The amalgamated company will have the benefit of synergy, optimum use of manpower for executing and management of various projects, expertise, and stability of operations and would help to achieve economies of scale through efficient utilization of resources and facilities.

n. Pursuant to the implementation of the Scheme, the objects of the Transferor Company and the Transferee Company can be conveniently, advantageously and economically carried on by a single entity.

o. The restructuring proposed under the Scheme will not affect the normal business operations of the Transferee Company, but would improve the same.

p. To achieve the desired objectives, a Scheme of Arrangement and Amalgamation has been arrived at by the Board of Directors of the aforesaid companies and it has been decided to make the requisite application before the Hon'ble National company Law Tribunal Mumbai bench, Mumbai under Sections 230 to 232 read along with Section 66 of the Companies Act, 2013 for the sanction of the following Scheme of Arrangement and Amalgamation (hereinafter referred to as the 'Scheme') of the aforesaid companies.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company at their respective meetings held on 5th April, 2018 have considered and approved the proposed Composite Scheme of Arrangement and amalgamation for the reduction of Equity Share Capital of the Transferee Company and transfer of the entire undertaking and business of the Transferor Company with the Transferee

Company subject to necessary statutory approvals, in order to benefit the stakeholders of the Transferor Company and the Transferee Company. Accordingly, the Board of Directors of both the Companies have formulated this Composite Scheme of Arrangement and Amalgamation for the reduction of Equity share capital of the Transferee Company and 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 230 to Section 232 read alongwith Section 66 and other relevant provisions of the Companies Act, 2013.

SALIENT FEATURES OF THE SCHEME

This Scheme is presented as a Composite Scheme of Arrangement and Amalgamation for reduction of capital of SERVOTEACH INDUSTRIES LIMITED and the Amalgamation of SERVOTECH INDIA LIMITED into SERVOTEACH INDUSTRIES LIMITED, pursuant to Sections 230 to 232 read along with Section 66 and all other applicable provisions if any of the Companies Act, 2013. The salient features of the Scheme inter alia are as follows:

1. The Scheme provides for the reduction of the equity share capital of SERVOTEACH INDUSTRIES LIMITED pursuant to Section 66 read with Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.
2. The Scheme provides for the reconstruction of SERVOTEACH INDUSTRIES LIMITED pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013.
3. The Scheme provides for the amalgamation of SERVOTECH INDIA LIMITED into SERVOTEACH INDUSTRIES LIMITED pursuant to Sections 230 to 232 of the Companies Act, 2013.
4. The Scheme also provides for various other matters consequential, supplemental and /or otherwise integrally connected herewith.

SECTION OF THE SCHEME

The Scheme of Arrangement and Amalgamation is divided into the following parts:

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a. **SECTION 1** which deals with the Definitions and Date of taking effect of the Scheme.

b. **SECTION 2** deals with financial restructuring and reconstruction of SERVOTEACH INDUSTRIES LIMITED.

c. **SECTION 3** deals with Amalgamation of SERVOTECH INDIA LIMITED with SERVOTEACH INDUSTRIES LIMITED.

d. **SECTION 4** deals with the Other Terms and Conditions.

SECTION 1

DEFINITIONS AND DATE OF TAKING EFFECT OF THE SCHEME

1 DEFINITIONS

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

1.1 **"Act"** means the Indian Companies Act, 2013, to the extent notified, and all amendments or statutory modifications thereto or re-enactments thereof, except where otherwise expressly provided;

1.2 **"Accumulated Losses"** means and includes the total amount shown under the head "Profit and Loss Account" as appearing in the audited balance sheet of the Transferee Company (SIL) as at 31st March, 2017;

1.3 **"Appointed Date"** means 1st April, 2017 or such other date as the National Company Law Tribunal [NCLT] Mumbai may direct, which shall be the date with effect from which this Scheme shall become effective and with effect from which date the Transferor Company shall amalgamate with the Transferee Company in terms of the Scheme, upon the order sanctioning this Scheme becoming effective.

1.4 **"Amalgamation"** means the amalgamation as specified under Section 2(1B) of the Income-Tax Act, 1961.

1.5 **"Board of Directors"** in relation to Servoteach Industries Limited or Servotech India Limited as the case may be, means the Board of Directors of the respective companies for the time being and shall include a committee of directors duly constituted and person authorized by the Board of Directors or such committee of directors.

1.6 **"Effective Date"** means the dates on which certified copies of the Orders of the National Company Law Tribunal, Mumbai Bench, Mumbai or any other appropriate

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authority sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai.

1.7 **"Financial Statements"** include standalone accounts i.e., balance sheet, statement of profit & loss, cash flow statement and notes to accounts of the Transferor Company and the Transferee Company, as the context may require.

1.8 **"Governmental Authority"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or committee or any court, tribunal, board, bureau, instrumentality, Registrar of Companies, Regional Director, The Official Liquidator, National Company Law Tribunal, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India.

1.9 **"National Company Law Tribunal"** means the Hon'ble National Company Law Tribunal, Mumbai Bench having jurisdiction over Servoteach Industries Limited and Servotech India Limited or such other forum or authority that may be vested with requisite powers under the Companies Act, 2013 in relation provisions of 230 to 232 of the Companies Act, 2013.

1.10 **"Para"** means paragraph of this Scheme

1.11 **"Record Date" (For Arrangement / Reduction of Capital)** means the date to be fixed by the Board of Directors of the Transferee Company i.e. Servoteach Industries Limited for the purpose of reckoning names of the Equity Shareholders, who shall be entitled to new share certificate, upon coming into effect, the financial restructuring (Reduction of Capital)/ arrangement, of this Scheme.

1.12 **"Record Date" (For Amalgamation) means** the date to be fixed by the Board of Directors of the Transferee Company i.e. Servoteach Industries Limited in consultation with the Board of Directors of the Transferor Company i.e. Servotech India Limited for the purpose of reckoning names of the Equity Shareholders of the Transferor Company (STIL) (Servotech India Limited), who shall be entitled to receive shares of the Transferee Company (SIL), upon coming into effect, the amalgamation, of this Scheme.

1.13 **"Scheme"** or **"the scheme"** or **"this Scheme"** means this Composite Scheme of arrangement and amalgamation in its present form submitted to National Company Law Tribunal or any other appropriate authority or with any modification(s) made under Clause 6.6 of this Scheme.

1.14 **"SERVOTEACH INDUSTRIES LIMITED" (SIL),** means a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 502, Triveni Krupa, Carter Road, No.3, Opp. Ambaji Mata Temple, Borivali (East) Mumbai - 400 066. The company is engaged in the business of manufacture and to deal

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in all kind of Plant and machinery and equipment for solvent extraction, refining, vanaspati, oil milling etc. However, there is no much business activities.

1.15 **"SERVOTECH INDIA LIMITED" (STIL)**, means a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 501, Triveni Krupa, Carter Road, No.3, Opp. Ambaji Mata Temple, Borivali (East) Mumbai- 400 066. The company is engaged in the business of manufacturer and supplier of turnkey projects of solvent extraction plants, castor oil plants, edible oil plants, oil refinery plants, Vanaspati plants and Dairy & Food processing plants.

1.16 **"Transferor Company"** means Servotech India Limited (STIL)

1.17 **"Transferee Company"** means Servoteach Industries Limited (SIL)

1.18 **"Transferred Undertaking"** means and includes the whole of the undertaking of the Transferor Company together as a going concern , as on the Appointed Date (further details of which are set out in Paragraph 5.2.1 thereof), and includes:

i. all assets of the Transferor Company, wherever situated, as are movable in nature, whether present, future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal, including without limitation current assets, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, utilities, actionable claims, earnest monies, security deposits and sundry debtors, bills of exchange, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received , provisions, receivables, funds, cheques and other negotiable instruments, cash and bank balances and deposits including accrued interests thereto with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, letters of credit and tax related assets (including service tax, input credits, CENVAT credits, GST, value added tax, sales tax, entry tax credits or set-offs and any other tax benefits, exemptions and refunds)

ii. all immovable properties (i.e. land together with the buildings and structures standing thereon or under construction)(whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to office space, building plans, guest houses and residential premises and documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interests in connection with the said immovable properties;

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iii. all investments of the Transferor Company including in the form of shares, scrips, stocks, bonds, debentures, debenture stock, units or pass through certificates and other securities and instruments, including all rights, interest and entitlement in relation thereto and rights and options exercised and application or subscription made for or in relation thereto ("Investments");

iv. all permits, licenses, permissions, approvals, consents, municipal permissions, benefits, registrations, rights, entitlements, certificates, clearances, authorities, allotments, quotas, no-objection certificates and exemptions of the Transferor Company including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereof, including applications made in relation thereto ("Licenses");

v. all benefits, entitlements, incentives and concessions under incentive schemes and policies including under customs, excise, service tax, GST, VAT, sales tax and entry tax and income tax laws, subsidy receivables from Government, grants from any Governmental Authority, all other direct tax benefit/ exemptions/ deductions, sales tax deferrals, to the extent statutorily available to the respective Transferor Company, alongwith associated obligations;

vi. all contracts, agreements, Joint Venture Agreement, memorandum of understanding, bids, tenders, expressions of interest, letters of intent, commitments including to clients, and other third parties, hire and purchase arrangements, other arrangements, undertakings, deeds, bonds, investments and interest in projects undertaken by the Transferor Company, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Transferor Company are parties, or to the benefit of which the Transferor Company may be eligible ("Contracts")

vii. all intellectual property rights of the Transferor Company, including pending applications (including hardware, software, source codes, parameterization and scripts), registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, patents, technical know-how, trade secrets, domain names, computer programmes, moral rights, development rights, finished and ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is in progress ("Intellectual Property");

viii. all employees of the Transferor Company, whether permanent or temporary, engaged in or in relation to the Transferor Company as on the Effective Date and whose services are transferred to the Transferee Company ("Transferred Employees") and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such Transferred Employees ("Funds"), together

with such of the investments made by these Funds, which are referable to such Transferred Employees;

ix. all loans, debts, borrowings, obligations, duties, forward contract liability, cash credits, bills discounted, deferred income, contingent liability and liabilities (including present, future and contingent liabilities) pertaining to or arising out of activities or operations of the Transferor Company, including obligations relating to guarantees in respect of borrowings and other guarantees ("Transferred Liabilities");

x. all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Governmental Authority) that pertain to the Transferor Company, initiated by or against the Transferor Company or proceedings or investigations to which the Transferor Company is party to, whether pending as on the Appointed Date or which may be instituted any time in the future ("Proceedings");

xi. all taxes, duties, cess, income tax benefits or exemptions including the right to claim deduction, to carry forward losses and tax credits under any provision of the Income Tax Act etc., that are allocable, referable or related to the Transferor Company, including all credits under Income Tax Act, including MAT credit, book losses (if any), all or any refunds, interest due thereon, credits and claims relating thereto; and

xii. all books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, lists of present and former credit, and all other books and records, whether in physical or electronic form, of the Transferor Company.

1.2 Interpretations

In this Scheme, unless the context otherwise requires:

1.2.1 References in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date of the Scheme;

1.2.2 References to the singular include a reference to plural and vice versa and reference to any gender includes a reference to all other genders;

1.2.3 Reference to persons shall include individuals, bodies corporate (wherever incorporated or un-incorporated), associations and partnerships;

1.2.4 Headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

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1.2.5 References to a paragraph shall be deemed to be a reference to a paragraph or Schedule of this Scheme;

1.2.6 Reference to the words 'hereof, 'herein' and 'hereby' and derivatives or similar words refer to this entire Scheme;

1.2.7 References to the words "including", "inter alia" or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and

1.2.8 any reference to any statute or statutory provision shall include:

i. all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

ii. such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

2 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the National Company Law Tribunal or any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

3 SHARE CAPITAL

The Authorized, Issued, Subscribed and Paid up Share Capital of SERVOTECH INDIA LIMITED as per the latest audited Balance Sheet as at 31st March, 2017 is as under:-

Particulars	(Amount in Rs)
Authorised Share Capital 50,00,000 Equity Shares of Rs.10/- each	5,00,00,000
Total	**5,00,00,000**
Issued, Subscribed and Fully Paid-Up 47,85,000 Equity shares of Rs.10/- full paid up	4,78,50,000
Total	**4,78,50,000**

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The Authorised, Issued, Subscribed and Paid up Share Capital of SERVOTEACH INDUSTRIES LIMITED as per the latest audited Balance Sheet as at 31st March, 2017 is as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
60,00,000 Equity Shares of Rs.10/- each	6,00,00,000
Total	**6,00,00,000**
Issued, Subscribed and Fully Paid-Up	
39,29,000 Equity shares of Rs.10/- full paid up	3,92,90,000
Add forfeited share	30,06,000
Total	**4,22,96,000**

Upto and as on the date of approval of the Scheme by the Board of Directors of Servoteach Industries Limited and Servotech India Limited respectively, there is no change in the Issued, Subscribed and Paid-up share Capital of the respective companies.

SECTION 2

4. Financial Restructuring and Reconstruction of SERVOTEACH INDUSTRIES LIMITED

4.1 Servoteach Industries Limited, a company registered under the Companies Act, 1956 having its registered office at 502, Triveni Krupa, Carter Road, No.3, Opp. Ambaji Mata Temple, Borivali (East) Mumbai - 400 066 and is engaged in the business of manufacture and to deal in all kind of Plant and machinery and equipment for solvent extraction, refining, vanaspati, oil milling etc. However there are no much business activities.

The share capital structure of the Company as on March 31, 2017 is as follows:

Particulars	(Amount in Rs)
Authorised Share Capital	
60,00,000 Equity Shares of Rs.10/- each	6,00,00,000
Total	**6,00,00,000**
Issued, Subscribed and Fully Paid-Up	
39,29,000 Equity shares of Rs.10/- full paid up	3,92,90,000
Add forfeited share	30,06,000
Total	**4,22,96,000**

A summarized view of the financials of the Company as per Audited Balance Sheet as at 31st March, 2017 is as under:

PARTICULARS	Amount (In Rupees) 31.03.2017
Paid up Capital	4,22,96,000
Long term Borrowings	-
Current Liabilities	4,53,645
Current Assets	16,12,303
Non Current Assets	19,427
Non Current Investments	7,85,587
Revenue from Operations	-
Indirect Income	-
Total Revenue	-
Expenditure	19,63,807
Profit / (Loss) for the year	(19,63,807)
Accumulated Losses	(4,03,32,328)

As per the last audited Balance Sheet as at 31st March, 2017 the Company has accumulated losses of Rs.4,03,32,328/-.

Due to heavy losses incurred by the Company during last few years, the capital of the company has been eroded and the net worth has become negative.

The promoter of the Company planned strategy to revive the Company with the financial help of Business associates.

The Board of Directors of the Company propose to reduce share capital in accordance with Section 66 of the Companies Act, 2013 to reflect its assets and liabilities at their real value and maximize its business value.

4.2 Broadly, the objectives of the financial restructuring are as under:

a. Continuous losses have substantially wiped off the value represented by the Capital, reserves and surplus and accordingly the financial statements do not reflect the correct picture of the health of the Company.

b. For ensuring that the financial statements of the Company reflect the real picture and the Capital, reserves and surpluses which are lost are not continued to be shown on the face of balance sheet, it is necessary to carry out reduction of capital of the Company.

c. Since writing off losses has become inevitable for growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise whereby the Company would create a "Capital Restructuring Account" from its paid up Equity Share capital whereby the Company would write off Part off its debit balance of Profit and Loss Account.

d. The reduction of capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.

e. The financial restructuring will help the Company to reflect better its operational efficiency, improvements in the future years and reflect the true shareholder value. Further, there would be a positive impact on the various key financial ratios such as Net Profit Margin, Return on Capital Employed, and Return on Net worth etc.

f. The restructuring will also not cause any prejudice to the creditors of the Company. For the sake of clarity, it is specified that the reduction in Share Capital does not involve either the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The Creditors of the Company are in no way affected by the proposed restructuring by way of the reduction of capital as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.

g. There is no cash outflow from the Company.

h. Hence, the proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.

i. Accordingly, the Board of Directors of the Company at their meeting held on 5th April, 2018 has considered necessary to carry out financial restructuring so as to show a true and fair view of the Balance sheet and operate with a leaner base Balance Sheet.

4.3 APPLICABILITY OF THE SCHEME

Applicability of the Scheme of Arrangement:

(i) The existing issued, subscribed and paid up Equity share capital of the Company shall be reduced from Rs.3,92,90,000/- divided into 39,29,000 Equity Shares of Rs. 10/- (Rupees Ten only) each fully paid up to Rs.2,75,03,000/ divided into 27,50,300 Equity Shares of Rs. 10/- (Rupees Ten only) each and that such reduction be effected by cancelling of 11,78,700 Equity Shares of Rs. 10/- each amounting to Rs.1,17,87,000/- which is lost or un-represented by the available assets i.e. Debit balance in Profit and Loss Account

(ii) Consequent upon Reduction, the Equity Share Capital of the company will be Rs. 2,75,03,000/- divided into 27,50,300 Equity Shares of Rs. 10/- (Rupees Ten only) each.

(iii) Consequent upon reduction, the accumulated losses will be Rs. 2,85,45,328/-

(iv) An Equity share holder holding 10 Equity shares of Rs.10/- each, then post reduction, he will get it 7 new Equity shares of Rs.10/- each. The face value of Equity share will remain at Rs.10/- only.

(v) The details of Pre and post reduction of Capital and accumulated losses are as under:

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Particulars	Pre Reduction of Capital	Post Reduction of Capital
Number of Equity Shares	39,29,000	27,50,300
Value of each Share (Rs.)	10	10
Total Paid up Capital (Rs.)	3,92,90,000	2,75,03,000
Add: Forfeited Shares	30,06,000	30,06,000
Total	4,22,96,000	3,05,09,000
Accumulated Losses (31.03.2017) (Rs.)	4,03,32,328	2,85,45,328

(vi) The pre and post shareholding pattern of the Company, upon the approval of Scheme shall be in the following manner:

Category of Equity Shareholders	Pre Reduction As on 31.12.2017 face Value Rs. 10/- each		Post Reduction (Expected) Face Value Rs. 10/- each	
	No. of Shares	Percentage	No. of Shares	Percentage
Promoter and Promoter Group	12,35,462	31.44	8,64,823	31.44
Public:				
Bodies Corporate	3,62,790	9.23	2,53,953	9.23
Individuals / HUF	23,03,397	58.63	16,12,378	58.63
NRI	25,000	0.64	17,500	0.64
Clearing Members	2,351	0.06	1,646	0.06
Custodian	-	-	-	-
Total	**39,29,000**	**100**	**27,50,300**	**100**

There is no change in the percentage (%) of the shareholders holding of the company (Pre and Post).

(vii) **Treatment of Fractional Shares.**

A In case any member's holding in the Company is such that the member becomes entitled to a fraction of an equity share of the Company, then the Company shall not issue fractional share certificates to such member but shall instead consolidate all such fractional entitlements to which the members of the Company may be entitled on the issue and allotment of equity shares of the Company and allot consolidated equity shares to a Director nominated by the Company in that behalf.

B The Director nominated by the Company as above shall, at his discretion, sell such shares in the open market and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

(viii) The shares issued to the members of the company pursuant to clause as above shall be issued in dematerialized form by the Company, unless otherwise notified in writing by

the shareholders of the company on or before such date as may be determined by the Board of Directors of the Company, or a committee thereof. In the event that such notice has not been received by the Company in respect of any of the members of the Company, the shares shall be issued to such members in dematerialized form provided that the members of the Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required, it is only thereupon that the Company shall issue and directly credit the dematerialised securities to the account of such member with the shares of the Company. In the event that the Company has received notice from any member that shares are to be issued in certificate form or if any members has not provided the requisite details relating to the account with depository participant or other confirmations as may be required, then the Company shall issued shares in certificate form to such member.

(ix) The Scheme shall come into operation from the Effective Date.

FINANCIAL RESTRUCTURING AND ACCOUNTING TREATMENT

4.4 CREATION AND UTILISATION OF CAPITAL RESTRUCTURING ACCOUNT

Pursuant to the Scheme of Reduction of capital, the treatment in the books of accounts of the Company will be as follows:

On the Effective Date

i. A sum of Rs. 1,17,87,000/- upon reduction from existing Equity Capital of Rs. 3,92,90,000/-divided into 39,29,000 Equity Shares of Rs.10/- (Rupees Ten) each fully paid up to Rs. 2,75,03,000/- divided into 27,50,300 Equity Shares of Re.10/- (Rupees Ten) each be transferred to "Capital Restructuring Account.

ii. As referred above, the issued, subscribed and paid up Equity Share capital of the company, post reduction, will be Rs. 2,75,03,000/- divided into 27,50,300 Equity Shares of Rs.10/- (Rupees Ten) each.

iii. Part of the balance of Accumulated Losses amounting to Rs. 1,17,87,000/- as at 31st March, 2017, be transferred to "Capital Restructuring Account".

iv. The Company shall comply with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.

v. To the extent of the amount transferred to the Capital Restructuring Account under this Para above, there shall be reduction of share capital of the Company, which shall be effected as an integral part of the Scheme in accordance with the provisions of Section 66 of the Companies Act, 2013 without involving either diminution of liability in respect of the unpaid share capital or payment to any shareholder of paid up share capital.

vi. The form of the minute proposed to be registered under Section 66 of the Companies Act, 2013 is as follows

The Capital of Servoteach Industries Limited is henceforth Rs. 2,75,03,000/- (Rupees Two Crores Seventy Five Lacs Three Thousand only) divided into 27,50,300 Equity Shares of Rs.10/- each fully paid up reduced from Rs.3,92,90,000/- (Rupees Three Crores Ninety Two Lacs Ninety Thousand only) divided into 39,29,000 Equity Shares of Rs.10/- each effected by cancelling 11,78,700 Equity Shares of Rs. 10/- each amounting to Rs. 1,17,87,000/-. At the date of this registration of this minute 27,50,300 Equity shares numbered 01 to 27,50,300 have been issued and are deemed to be fully paid up.

4.5 CONDUCT OF BUSINESS

4.5.1 Nothing contained in the Scheme shall affect the conduct of business of the Company and for any deeds, bonds, contracts, agreements and any other instruments to which the Company is a party and/or all legal or other proceedings by or against the Company.

4.5.2 Further, nothing contained in the Scheme shall affect the existing rights of the creditors, workers and employees of the Company.

SECTION 3

5. AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

5.1 Transfer & Vesting of the Transferor Company

Upon the order of the NCLT sanctioning the Scheme becoming effective, on and from the Appointed Date, the Transferred Undertaking of the Transferor Company shall, together with all its properties, assets, agreements including development Agreements, joint venture Agreements, expression of Interest(EOI), rights, benefits, interests, liabilities and obligations, subject to the provisions of Paragraph 5.2 hereof in relation to the mode of vesting, and without any further deed or act and in accordance with Sections 230 to 233 of the Companies Act, 2013 and all other applicable provisions of law, be transferred to and vested in and be deemed to have been transferred to and vested in, the Transferee Company, as a going concern.

5.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the order of the NCLT sanctioning this Scheme becoming effective, on and from the Appointed Date:

5.2.1 Assets

a) In respect of such assets of the Transferor Company as are moveable in nature or are otherwise capable of transfer by delivery of possession, payment or by endorsement and delivery, the same shall stand transferred to and be vested in the Transferee Company and

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shall become the property of the Transferee Company. The vesting pursuant to this paragraph shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly, without requiring execution of any deed or instrument of conveyance for the same.

b) In respect of such assets of the Transferor Company as are or represent Investments registered and/or held in any form by or beneficial interest wherein is owned by the Transferor Company, the same shall stand transferred/transmitted to and be vested in and/or be deemed to have been transferred/transmitted to and vested in the Transferee Company, together with all rights, benefits and interest therein or attached thereto, without any further act or deed and thereupon the Transferor Company shall cease to be the registered and/or the beneficial owner of such investments. The Transferor Company shall be deemed to be holding such investments for and on behalf of and in trust for and for the benefit of the Transferee Company and all profits or dividends and other rights or benefits accruing/paid/distributed on such investments and all taxes thereon, or losses arising or expenses incurred relating to such investments, shall, for all intent and purposes, be treated as the profits, dividends, rights, benefits, taxes, losses or expenses, as the case may be, of the Transferee Company.

c) In respect of such of the moveable assets belonging to the Transferor Company other than those specified in paragraph 5.2.1(a) and (b)hereof, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the same shall (notwithstanding whether there is any specific provision for transfer of credits, assets or refunds under the applicable laws, wherever applicable), without any further act, instrument or deed by the Transferor Company or the Transferee Company or the need for any endorsements, stand transferred from the Transferor Company to and in favour of the Transferee Company. Any security, lien, encumbrance or charge created over any assets in relation to the loans, or borrowings or any other dues of the Transferor Company, shall, without any further act or deed, stand transferred to the benefit of the Transferee Company and the Transferee Company will have all the rights of the Transferor Company to enforce such security, lien, encumbrance or charge, by virtue of this Scheme.

d) All immovable properties of the Transferor Company (i.e., land together with the buildings and structures standing thereon or under construction, development rights) (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to warehouses, office space, guest houses and residential premises and all documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, shall stand transferred to and be vested in and be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done/executed or being required to be done/executed by the Transferor Company or the Transferee Company or both. The Transferee Company shall be entitled to exercise and enjoy all rights and privileges attached to

the immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations and be entitled to all rights in relation to or as applicable to such immovable properties.

5.2.2 **Licenses & Certificates**

All Licenses, building plans, permits, registrations & ownership certificate issued by various registering & statutory authorities relating to the Transferor Company shall stand transferred to and be vested in the Transferee Company, without any further act or deed done by the Transferor Company or the Transferee Company and be in full force and effect in favour of the Transferee Company, as if the same were originally given to, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

5.2.3 **Benefits, Entitlements, Incentives and Concessions**

All benefits, entitlements, incentives and concessions under incentive schemes and policies that the Transferor Company is entitled to, including under customs, excise, service tax, VAT, sales tax and entry tax, GST and income tax laws, subsidy receivables from Government, grants from any governmental authority, direct tax benefit/ exemptions/ deductions, shall, to the extent statutorily available and along with associated obligations, stand transferred to and be available to the Transferee Company as if the Transferee Company was originally entitled to all such benefits, entitlements, incentives and concessions.

5.2.4 **Contracts**

a) All Contracts, Agreements Development Rights, of the Transferor Company which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.

b) Any inter-se contracts between the Transferor Company on One hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the coming into effect of this Scheme.

c) All guarantees provided by any bank in favour of the Transferor Company outstanding as on the Effective Date, shall vest in the Transferee Company and shall enure to the benefit of the Transferee Company and all guarantees issued by the bankers of the Transferor Company at the request of the Transferor Company favouring any third party shall be deemed to have

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been issued at the request of the Transferee Company and continue in favour of such third party till its maturity or earlier termination.

5.2.5 **Intellectual Property**

All Intellectual Property of the Transferor Company shall stand transferred to and be vested in the Transferee Company and be in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.

5.2.6 **Transferred Employees**

a) All Transferred Employees of the Transferor Company shall be deemed to have become the employees and staff of the Transferee Company with effect from the Appointed Date, and shall stand transferred to the Transferee Company without any interruption of service and on terms and conditions no less favorable than those on which they are engaged by the Transferor Company, as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefit, incentive plans, terminal benefits, gratuity plans, provident plans and any other retirement benefits.

b) The Transferee Company agrees that the services of all transferred Employees with the Transferor Company prior to the transfer, shall be taken into account for the purposes of all benefits to which such Transferred Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, shall be reckoned from the date of their respective appointment in the Transferor Company. The Transferee Company undertakes to pay the same, as and when payable under applicable laws.

For avoidance of doubt, in relation to those Transferred Employees for whom the Transferor Company is making contributions to the Government provident fund, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to such funds in accordance with the provisions of such funds, bye-laws, etc. in respect of the Transferred Employees.

c) All contributions made by the Transferor Company on behalf of the Transferred Employees and all contributions made by the Transferred Employees including the interests arising thereon, to the Funds and standing to the credit of such Transferred Employees' account with such Funds, shall, upon this Scheme becoming effective, be transferred to the funds maintained by the Transferee Company along with such of the investments made by such Funds which are referable and allocable to the Transferred Employees and the Transferee Company shall stand substituted for the Transferor Company with regard to the obligation to make the said contributions.

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d) The contributions made by the Transferor Company under applicable law in connection with the Transferred Employees, to the Funds, for the period after the Appointed Date shall be deemed to be contributions made by the Transferee Company.

e) The Transferee Company shall continue to abide by the agreement(s) and settlement(s) entered into with the employees by the Transferor Company, if any, in terms of such agreement(s) and settlement(s) subsisting on the Effective Date, in relation to the Transferred Employees.

5.2.7 **Transferred Liabilities and Security**

a) All Transferred Liabilities of the Transferor Company, shall, to the extent they are outstanding as on the Effective Date, without any further act, instrument or deed, stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations, etc., as the case may be, of the Transferee Company and shall be exercised by or against the Transferee Company, as if it had incurred such Transferred Liabilities.

b) The Transferee Company alone shall be liable to meet, discharge and satisfy the Transferred Liabilities as the borrower/creditor in respect thereof.

c) This Scheme shall not operate to enlarge or extend the security for any of the Transferred Liabilities and the Transferee Company shall not be obliged to create any further or additional securities after the Effective Date, unless otherwise agreed to by the Transferee Company with such secured creditors and subject to the consent and approval of the existing secured creditors of the Transferee Company, if any. Further, this Scheme shall not operate to enlarge or extend the security for any loan, deposit, credit or other facility availed by the Transferee Company, in as much as the security shall not extend to any of the assets forming part of the Transferred Undertakings.

d) In so far as the existing security in respect of the Transferred Liabilities is concerned, such security shall, without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the assets forming part of the Transferred Undertaking of the Transferor Company, which have been charged and secured and subsisting as on the Effective Date, in respect of the Transferred Liabilities. Provided that if any of the assets forming part of the Transferred Undertaking of the concerned Transferor Company have not been charged or secured in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets.

e) 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 Transferred Liabilities have arisen in order to give effect to the provisions of this paragraph.

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f) It is expressly provided that, save as mentioned in this paragraph 5.2.7, no other term or condition of the Transferred Liabilities is modified by virtue of this Scheme, except to the extent that such amendment is required by necessary implication.

g) The Transferred Liabilities, if any, due or which may at any time in the future become due only inter-se the Transferor Company and the Transferee Company, shall stand discharged and there shall be no liability in that behalf on either company and corresponding effect shall be given in the books of account and records of the Transferee Company, in accordance with Section 3 of this Scheme.

5.2.8 **Legal and other such Proceedings**

All Proceedings transferred to the Transferee Company pursuant to the Scheme, shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company or by anything contained in this Scheme and the proceedings shall continue and any prosecution shall be enforced by or' against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted or enforced by or against the Transferor Company, as if this Scheme had not been made. The Transferee Company undertakes to have such Proceedings relating to or in connection with the Transferor Company, initiated-by or against the said Transferor Company, transferred in the name of the Transferee Company as soon as possible, after the Effective Date, and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferee Company also undertakes to pay all amounts including interest, penalties, damages, etc., which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period from the Appointed Date up to the Effective Date and any costs incurred by the Transferor Company in respect of such proceedings started by or against it relatable to the period from the Appointed Date up to the Effective Date upon submission of necessary evidence by the said Transferor Company to the Transferee Company for making such payment.

5.2.9 **Tax Treatment**

All taxes, duties, cess, MAT credit, tax related assets (including service tax, input credit, CENVAT, value added tax, sales tax, entry tax, GST etc that are allocable, referable or related to the Transferor Company and payable, whether due or not, upto a day immediately preceding the Appointed Date, including all advance tax payments, tax deducted at source, tax liabilities or any refunds, tax obligations, credit and claims, carry forward losses and tax credits under any provision of the Income Tax Act, 1961 shall, for all intent and purposes, be treated as the liability or refunds, credit and claims, as the case may be, of the Transferee Company.

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5.2.10 **Books and Records**

All books, records, files, papers, engineering and process information, building plans, databases, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over by them to the Transferee Company.

5.3 **Conduct of Business**

5.3.1 With effect from the Appointed Dates and upto the Effective Date:

a) The Transferor Company shall carry on its business with reasonable diligence and commercial prudence and in the same manner as it has been doing hitherto;

b) The Transferor Company shall carry on and shall be deemed to have carried on all their respective business activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, Contracts, investments and decisions, benefits for and on account of and in trust for the Transferee Company;

c) All obligations, liabilities, duties and commitments attached, related or pertaining to the Transferor Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for the Transferee Company; and

d) All the profits and incomes accruing or arising to the Transferor Company and all expenditure or losses arising or incurred by the Transferor Company shall, for all purposes, be treated and be deemed to be the profits and incomes or expenditures and losses, as the case may be, of the Transferee Company.

5.3.2 All assets acquired, development rights, leased or licensed, Licenses obtained, benefits, entitlements, incentives and concessions granted, Contracts entered into, Intellectual Property developed or registered or applications made thereto, Transferred Liabilities incurred and Proceedings initiated or made party to, between the Appointed Date and till the Effective Date by the Transferor Company shall be deemed to be transferred and vested in the Transferee Company. For avoidance of doubt, where any of the Transferred Liabilities as on the Appointed Date (deemed to have been transferred to the Transferee Company) have been discharged by the Transferor Company on or after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company for all intent and purposes and under all applicable laws. Further, in connection with any transactions between the Transferor Company and the Transferee Company between the Appointed Date and upto the Effective date, if any service tax has been paid by the Transferor Company, then upon the Scheme coming into effect, the Transferee Company shall be entitled to claim refund of such service tax paid by the Transferor Company.

5.3.3 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the business of the Transferor Company and till such time as the name of account holder in the respective bank accounts of the Transferor Company is substituted by the bank in the name of the Transferee Company, the Transferee Company shall be entitled to operate such bank accounts of the Transferor Company, in its name, in so far as may be necessary.

5.3.4 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Transferor Company occurs by virtue of Section 3 of this Scheme itself, the Transferee Company may, at any time after the Effective Date, in accordance with the provisions hereof, if so required under applicable law or otherwise, give notice in such form, as may be required or as it may deem fit and proper or enter into or execute deeds (including deeds of adherence), confirmations, novations, declarations or other writings or documents as may be necessary and carry out and perform all such formalities and compliances, for and on behalf of the Transferor Company, including, with or in favour of and required by (i) any party to any Contract to which the Transferor Company is a party; or (ii) any Governmental Authority or non-government authority, in order to give formal effect to the provisions of this Scheme. Provided however, that execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving effect to this Scheme from the Effective Date.

5.3.5 To the extent possible, pending sanction of this Scheme, the Transferor Company or the Transferee Company shall be entitled to apply to the relevant Governmental Authorities and other third parties concerned, as may be necessary under any law or contract for transfer or modification of such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company with effect from the Effective Date and subject to this Scheme being sanctioned by the NCLT.

5.3.6 For the purpose of giving effect to the order passed under Sections 230 to 232 and any other applicable provisions if any of the Companies Act, 2013 in respect of this Scheme by the NCLT, the Transferee Company shall, upon the Scheme becoming effective, be entitled to get the record of the change in the legal right(s) standing in the name of the Transferor Company, in its favour in accordance with such order and the provisions of Sections 230 to 232 and any other applicable provisions if any of the Companies Act, 2013.

5.4 **Saving of Concluded Transactions**

The transfer and vesting of the Transferor Company with and into the Transferee Company under Section 3of the Scheme, shall not affect any transaction or proceedings already completed or liabilities incurred by the Transferor Company, either prior to or on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things done and executed by or on behalf of the

Transferor Company in respect thereto as acts, deeds and things done and executed by and on behalf of itself.

5.5 **Dissolution/Winding Up of Transferor Company**

Upon this Scheme becoming effective, Servotech India Limited, the Transferor Company shall stand dissolved without being wound-up.

5.6 **DISCHARGE OF CONSIDERATION**

5.6.1 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the undertaking of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company subject to the provisions of this Scheme shall issue and allot to the equity shareholders of the Transferor Company, and whose name appears in the Register of Members as on the Record Date, his/her heirs, executors, administrators or the successors-in-title, as the case may be, One (1) Equity Share of the Transferee company (Servoteach Industries) of Rs. 10/- each fully paid up for every One (1) Equity Share of Rs. 10 each fully paid up held in the Share Capital of the Transferor Company (Servotech India) and Eleven (11) Optionally Convertible Redeemable Preference Shares [OCRPS] of the Transferee Company (Servoteach Industries) of Rs. 10/- each fully paid up for every Two (2) Equity Shares of Rs. 10/- each fully paid up held in the share capital of the Transferor Company (Servotech India).

5.6.2 The shares issued to the members of the Transferor company pursuant to clause 5.6.1 above shall be issued in dematerialized form by the Transferee Company, unless otherwise notified in writing by the shareholders of the Transferor company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares shall be issued to such members in dematerialized form provided that the members of the Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required it is only thereupon that the Transferee Company shall issue and directly credit the dematerialised securities to the account of such member with the shares of the Resulting Company. In the event that the Transferee Company has received notice from any member that shares are to be issued in certificate form or if any members has not provided the requisite details relating to the account with depository participant or other confirmations as may be required, then the Transferee Company shall issue shares in certificate form to such member.

5.6.3 The new Equity Shares issued by the Transferee Company in terms of clause 5.6.1 above shall be listed and / or admitted to trading on BSE Limited where the shares of the Transferee Company are listed and / or admitted to trading as on the Effective Date. The Transferee Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with necessary statutory and regulatory requirements as well as the listing formalities of the said stock exchanges. On such formalities being fulfilled the said stock exchanges shall list and / or admit such Equity Shares also for the purpose of trading.

5.6.4 The Equity shares to be issued and allotted by the Transferee Company in terms of clause 5.6.1 above shall rank pari passu in all respects including dividend with the existing Equity shares of the Transferee Company.

5.6.5 In case any member's holding in the Transferor Company is such that the member becomes entitled to a fraction of an equity share of the Transferee Company, then the Transferee Company shall not issue fractional shares to such member but shall instead consolidate all such fractional entitlements to which the members of the Transferor Company may be entitled on the issue and allotment of equity shares of the Transferee Company and allot consolidated equity shares to a trustee nominated by the Transferee Company in that behalf.

5.6.6 The trustee nominated by the Transferee Company under Clause 5.6.5 above shall, at its discretion, sell such shares in the open market and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders of the Transferor Company (Servotech India) entitled to the same in proportion to their fractional entitlements.

5.6.7 Pursuant to and upon this Scheme becoming effective, the Resulting company shall take necessary steps to increase and alter its authorized share capital suitably to enable the Transferee company to issue and allot the Equity Shares in the Transferee Company to the shareholders of the Transferor Company in terms of this Scheme and as an integral part of this Scheme, the share capital of the Transferee Company shall be increased in the manner set out in Clause 9 below.

5.6.8 Equity Shares of the Transferee Company issued in terms of clause 6.1.1 above shall pursuant to the circular dated 10th March, 2017 bearing No. CFD/DIL3/CIR/2017/21 issued by Securities and Exchange Board of India (SEBI) and in accordance with compliance with requisite formalities under applicable laws, be listed and / or admitted to trading on BSE Limited, the relevant stock exchange(s) where the existing equity shares of the Transferee Company are listed and / or admitted to trading in accordance with the compliance with requisite formalities under applicable laws and the Transferee company shall enter into such

agreement / arrangement and give confirmations and / or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchange (BSE Limited).

5.6.9 The equity shares of the Transferee Company allotted pursuant to the scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.

5.6.10 Till the listing of the equity shares of the Transferee Company, there will be no change in the pre-arrangement capital structure and shareholding pattern or controls in the Transferor Company which may affect status of the approval of the stock exchanges to this scheme.

5.6.11 Approval of the Scheme by the shareholders of Servoteach Industries shall be deemed to be due compliance of the provisions of sections 42, 62 if any and other relevant or applicable provisions of the Companies Act, 2013 and Rules made thereunder for the issue and allotment of the Equity shares by Servoteach Industries to the shareholders of Servotech India as provided hereinabove.

5.6..12 Any Equity Shares issued by the Transferor Company and held by the Transferee Company, and / or vice versa, shall, unless sold or transferred by the Transferor Company or the Transferee Company, as the case may be, at any time prior to the Record Date, stand cancelled as on the Record Date and be of no effect, and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation in that behalf.

5.6.13 Unless otherwise determined by the Board of Directors or any committee thereof of the Transferee Company, allotment of Equity Shares in terms of clause 5.6 of this part shall be done within 4 months from the effective date.

5.6.14 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the members of SERVOTECH INDIA LIMITED under the Scheme.

5.7 **TERMS OF OPTIONALLY CONVERTIBLE REDEEMBALE PREFERENCE SHARES (OCRPS):**

5.7.1 Each OCRPS will be of a face value of Rs.10/- each.

5.7.2 Each OCRPS shall have a 5% (5%) coupon rate.

5.7.3 OCRPS will be non cumulative and non participative in profits.

5.7.4 The OCRPS shall be converted into Equity shares in the ratio of 1(One) New Equity Share of the face value of Rs. 10/- (Rupees Ten only) each of the Transferee Company with rights attached thereto as mentioned in this Scheme for every 1 (One) OCRPS of the face value of Rs. 10/- (Rupees Ten only) each credited as fully paid-up held by such OCRPS holders or their respective heirs, executors or as the case may be, successors in the Transferee Company.

5.7.5 The OCRPS shall be converted in to Equity shares in one or more trenches within a period of five (5) years from the date of allotment in such manner that the requirements of Regulation 38 of SEBI(LODR) Regulations 2015 shall be met at all times.

5.7.6 The OCRPS if not converted into Equity Shares either fully or partly within the time period mention in 5.7.5 then shall compulsorily redeemed within a period of next five (5) years either in one trench or trenches.

5.7.7 The OCRPS shall be compulsorily converted into Equity shares before the commencement of liquidation process, if any, in the case of the Transferee Company.

5.7.8 The shareholders of Servotech India Limited, to whom equity shares are to be issued by the Transferee Company on account on conversion of OCRPS into Equity shares pursuant to Clause 5.6 and 5.7.4 above shall be issued in dematerialized form provided that they shall be required to provide all details relating to their account with Depository Participant, to the Transferee Company. The Transferee Company shall issue the shares in the dematerialized format unless otherwise communicated in writing by such shareholders on or before such date as may be determined by the Board of Directors of the Transferee Company or by a Committee created thereof.

5.7.9 Any fraction arising on issue of OCRPS as above will be rounded off to the nearest integer.

5.7.10 The OCRPS shall not be listed on the Stock Exchanges.

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5.7.11 The new Equity Shares arising on account of conversion of OCRPS issued by the Transferee Company in terms of clause 5.6 above shall be listed and / or admitted to trading on BSE Limited where the shares of the Transferee Company are listed and / or admitted to trading as on the Effective Date. The Transferee Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with necessary statutory and regulatory requirements as well as the listing formalities of the said stock exchanges. On such formalities being fulfilled the said stock exchanges shall list and / or admit such Equity Shares also for the purpose of trading.

5.7.12 The Equity shares arising on account of conversion of OCRPS to be issued and allotted by the Transferee Company in terms of clause 5.6 above shall rank pari passu in all respects including dividend with the existing Equity shares of the Transferee Company.

5.7.13 Prior to the Effective Date and allotment of Preference shares and / or New Equity Shares arising on account of conversion in terms of Clauses 5.7.4 of this Scheme, if necessary, the Transferee Company shall, at its sole option if and to the extent required increase and/or reclassify the Authorized Share Capital of the Transferee Company by creation of at least such number and value of Equity shares and OCRPS, as may be necessary to satisfy its obligations under the Scheme, and as may be desirable, expedient and necessary in that behalf and the Memorandum and Articles of Association of the Transferee Company shall stand amended accordingly.

5.7.14 The Equity Shares arising on account of conversion to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Transferee Company.

5.7.15 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of OCRPS and / or Equity Shares to the members of the Transferor Company under the Scheme.

5.7.16 In the event of the company making a bonus issue of shares or making rights issue of shares / convertible debentures or any other securities or any other corporate restructuring or arrangement including merger/ demerger/ acquisitions, in whatever proportion prior to the exercise of the rights attached to the OCRPS, the entitlement of the holders shall stand augmented in the same proportion in which the equity share capital of the company increases as a consequence of such bonus / rights issues / corporate restructuring and that the exercise price of the OCRPS be adjusted accordingly, subject to such approvals as may be required.

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5.7.17 The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provision of Section 62 and other relevant and applicable provision of the Act for the issue and allotment of OCRPS and Equity Shares arising on account of conversion of OCRPS by the Transferee Company to the shareholder of the Transferor Company, as provided in this Scheme.

5.7.18 Unless otherwise determined by the Board of Directors and / or any committee thereof of the Transferee Company, allotment of OCRPS in terms of clause 5.6 of this part shall be done within 120 days from the effective date.

5.7.19 It is clarified that the acquisition / issuance of OCRPS is pursuant to a scheme and accordingly conversion of OCRPS into Equity Shares made in terms of paras above shall be pursuant to and is an integral part of this Scheme. Such conversion of OCRPS into Equity Shares (being arising out of Scheme) being exempt under Regulation 10 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and shall not trigger the open offer requirements in on the holders of OCRPS of Servoteach Industries Limited, the Transferee Company under Regulation 3 or Regulation 4 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

5.8 TRANSFER OF AUTHORISED CAPITAL OF TRANSFEROR COMPANY TO THE CREDIT OF THE AUTHORISED SHARE CAPITAL OF TRANSFEREE COMPANY:

Upon the scheme becoming finally effective, in consideration of the transfer and vesting of the undertaking in the Transferee company in terms of the scheme, the Authorized share Capital of the Transferor Company shall stand transferred and credited to the Authorized Share Capital of the Transferee Company and stand increased and re-classified and re-organized from:-

The Authorised Share Capital of SERVOTECH INDIA LIMITED is Rs.5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 Equity Shares of the face value of Rs.10/- (Rupees Ten) each shall stand transferred to the credit of the Authorised Equity Share Capital of SERVOTEACH INDUSTRIES LIMITED so that the Authorised Share Capital shall stand increased **FROM** Rs.6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 Equity Shares of Rs.10/- (Rupees Ten) each, **TO** Rs.11,00,00,000/- (Rupees Eleven Crores only) divided into 1,10,00,000 Equity Shares of Rs.10/- (Rupees Ten) each.

In consequence of the increase in the Authorised Share Capital, as mentioned above, the clause V of the Memorandum of Association relating to share capital shall be as under:

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The share capital of the company is Rs. 11,00,00,000/- (Rupees Eleven Crores) divided into 1,10,00,000 (One Crores Ten Lakhs) shares of Rs.10/- (Rupees Ten) each. Any share of the original or increased capital may from time to time be issued with guarantee or any rights of preference whether in respect of dividend or of repayment of capital or both or any other special of dividend or advantage over any shares previously issued or then about to the be issued or with deferred or qualified as compared with any shares previously issued or subject to any provision or conditions and with any special rights or limited rights or without any right of voting and generally on such terms as the Company may from time to time determine.

The rights of the holder of any class of shares for the time being forming part of the capital of the company may be modified, effected, varied. extended or surrendered either with the consent in writing of holders of three fourths of the issued shares of the class or with the sanction of a Special Resolution passed at a, separate, meeting of the holders of those shares.

It is clarified that the Transferee Company shall not be required to pass any resolution for the purpose of Increase in Authorized Share Capital of the Transferee Company pursuant to Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, it shall be deemed that the members of the Transferee company have accorded their consent as required under the Act.

The filing fee and stamp duty already paid by the Transferor Company on its Authorised Share Capital shall be deemed to have been so paid by the Transferee Company on the combined Authorised Share Capital.

The Equity shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the Transferee Company.

5.9 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

Accounting treatment in respect of amalgamation of Transferor Company with Transferee Company

5.9.1 Upon the Scheme coming into effect, the Transferee Company shall account for the amalgamation in its books of account in accordance with the Pooling of Interest method laid down in Appendix C of the Indian Accounting Standard 103 "Business Combinations of entities under common control" and other applicable IND-AS prescribed under section 133 of the companies

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Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015(as amended) and other generally accepted accounting principles as applicable on the effective date.

5.9.2 Transferee Company shall record the assets, liabilities and reserves relating to Transferred Undertaking of Transferor Company vested in it pursuant to this Scheme, at their respective carrying amounts at the close of the business of the day immediately preceding the Appointed Date. The identity of the Reserves will be preserved.

5.9.3 The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Company mentioned above as on the date immediately preceding the Appointed Date. Accordingly, if prior to this Scheme becoming effective there is any Reserve in the financial statements of the Transferor Company mentioned above, which are available for distribution to shareholders whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by the Transferee Company, subsequent to this Scheme becoming effective.

5.9.4 The balances of the profit and loss accounts of Transferor Company (as appearing in financial statements mentioned above) shall be aggregated, and added to or set-off from, as the case may be, the corresponding balance appearing in the financial statements of the Transferee Company.

5.9.5 In case there is any difference in the accounting policies adopted by the Transferor company and the Transferee company, the accounting policies followed by the Transferee company will prevail and the difference will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee company reflect the financial position on the basis of consistent accounting policy.

5.9.6 Excess of assets over liabilities (including reserves and surplus and shares issued) will be credited to Capital reserves and excess of liabilities (including reserves and surplus and shares issued) over assets will be debited goodwill account.

5.9.7 Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits balances or other obligations as between the Transferor Company and the

Transferee Company the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

5.9.8 In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this Scheme to comply with any of the applicable Indian accounting standards and generally accepted accounting principles.

SECTION 4

OTHER TERMS AND CONDITIONS

6.1 DIVIDENDS, PROFITS, BONUS/ RIGHT SHARES

6.1.1 For the avoidance of doubt it is hereby cleared that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its Equity Shareholders as on the respective record date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee company prior to the effective date.

6.1.2 On and from the earlier of the dates of filing this Scheme with National Company Law Tribunal and until the effective date, the Transferor Company shall declare dividend only after prior consultation with the Transferee Company.

6.1.3 After filing the Scheme and up to the Effective Date, the Transferor Company shall not, after the Appointed Date, issue or allot any shares or other financial instrument by way of bonus

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shares, rights shares or otherwise, without the written consent of the Transferee Company. Similarly, the Transferee Company shall not, after the Appointed Date, issue or allot any shares or other financial instrument by way of bonus shares, rights shares or otherwise, without the written consent of the Transferor Company.

6.1.4 The holders of the shares of the Transferor Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including right to receive the dividends.

6.1.5 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 to demand or claim any dividend which, subject to the provisions of the said Act, shall be entirely at the discretion of the said Company and subject to approval of the shareholders of the said Company.

6.1.6 The Equity shares shall rank pari passu with the existing Equity Shares of the Transferee Company in all respects including dividend.

6.2 **RECLASSIFICATION AND INCREASE IN THE AUTHORISED SHARE CAPITAL OF SERVOTEACH INDIA LIMITED AND CONSEQUENT ALTERATIONS IN THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

In addition to the increase in the Authorised Share Capital of SERVOTEACH INDUSTRIES caused by credit of the Authorised Share Capital of the Transferor Company, as mentioned in clause 5.8 of this Scheme, the Authorised Share Capital of SERVOTEACH INDUSTRIES shall be further increased and reorganized, in the manner mentioned below, to cover the fresh issue of equity shares by SERVOTEACH INDUSTRIES to the Equity Share holders of Transferor Company in terms of clause 9 of this Scheme:

The Authorised Share Capital of SERVOTEACH INDUSTRIES shall be reclassified, increased and reorganized **FROM** Rs. 11,00,00,000/- (Rupees Eleven Crores only) divided into 1,10,00,000 (One Crore Ten Lacs) Equity

Shares of Rs.10/- (Rupees Ten) each **TO** Rs. 36,00,00,000/- (Rupees Thirty Six Crores only) comprising of 90,00,000 (Ninety Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each and 2,70,00,000 (Two Crores Seventy Lakhs) Preference Shares of Rs. 10/- (Rupees Ten) each.

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In consequence of the reclassification and increase in the Authorised Share Capital, as mentioned above, following new clause V shall be inserted in the Memorandum of Association of the Company in place and stead of the existing clause V:

Clause V: - Memorandum of Association.

The share capital of the company is Rs. 36,00,00,000/- (Rupees Thirty six Crores) divided into 90,00,000 (Ninety lakhs) Equity shares of Rs.10/- (Rupees Ten) each and 2,70,00,000 (Two Crores Seventy Lakhs) Preference Shares of Rs.10/- each. Any share of the original or increased capital may from time to time be issued with guarantee or any rights of preference whether in respect of dividend or of repayment of capital or both or any other special of dividend or advantage over any shares previously issued or then about to be issued or with deferred or qualified as compared with any shares previously issued or subject to any provision or conditions and with any special rights or limited rights or without any right of voting and generally on such terms as the Company may from time to time determine.

The rights of the holder of any class of shares for the time being forming part of the capital of the company may be modified, effected, varied, extended or surrendered either with the consent in writing of holders of three fourths of the issued shares of the class or with the sanction of a Special Resolution passed at a, separate, meeting of the holders of those shares

It is clarified that the relevant date for the increase of Authorised Share Capital of the Transferee Company shall be the effective date and the statutory time limit for filing of necessary documents with Registrar of Companies in connection with such increase in the Authorised Share Capital shall commence from the date the Scheme becomes effective. It is also clarified that the Transferee Company shall be required to pay the filing fee and stamp duty only on the increase in the Authorised Share Capital from Rs. 11,00,00,000/- to Rs.36,00,00,000/- i.e. an increase of Rs. 25,00,00,000/- and not for the earlier increase of Authorised Share Capital from Rs. 6,00,00,000/- to Rs. 11,00,00,000/- which was caused due to transfer of Authorised Share Capital of the Transferor Company to the credit of the Authorised Share Capital of the Transferee Company.

It is further clarified that the Transferee Company shall not be required to pass any resolution under sections 13, 61 and other applicable provisions, if any of the Act, for increase in the Authorised Share Capital of the Transferee Company, as envisaged above and that the members of the Transferee Company shall be deemed to have accorded their consent under

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various provisions of the Act and Rules made there under to the increase in the share capital in terms of this Scheme.

6.3 **Application(s) to the National Company Law Tribunal [NCLT]**

The Transferor Company and the Transferee Company shall make, as applicable, joint or separate applications/petitions under Section 230 to 232 of the Companies Act, 2013 to the NCLT, as necessary, inter act, to seek orders for dispensing with or for convening, holding or conducting of the meetings of their respective shareholders and creditors, sanctioning of this Scheme and for consequent actions including for dissolution of the Transferor Company without winding up and further applications / petitions under Sections 230 to 232 of the Companies Act, 2013 including for sanction / confirmation / clarification of the Scheme or connected therewith, as necessary.

6.4 **Revision of accounts and tax filings, modification of charge**

Upon this Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, goods & Services tax returns, excise tax returns, sales tax and value added tax returns, as may be applicable and has expressly reserved the right to make such provisions in its returns and to claim refunds or credits etc, if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

Filing of the certified copy of the order of the NCLT sanctioning this Scheme with the relevant Registrar of Companies, Maharashtra, Mumbai shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Transferor Company, as required as per the provisions of this Scheme.

6.5 **Tax neutrality**

The amalgamation in accordance with this Scheme shall be pursuant to and in compliance with the provisions of Section 2(1B) of the Income-Tax Act, 1961, or any modification or re-enactment thereof.

If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme.

6.6 **Modifications and Amendments to the Scheme**

Notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) may make or assent, from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and the NCLT.

The Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) shall be authorised to take all such steps and give such directions, as may be necessary, desirable or proper, to resolve any doubts, difficulties or questions that may arise in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the NCLT or any other authorities or otherwise, howsoever arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith and to do and execute all acts, deeds, matters and, things necessary for giving effect to this Scheme.

For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary 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.

However, no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the NCLT and the same shall be subject to powers of the NCLT under Sections 230 to 232 of the Companies Act, 2013.

6.7 **CONDITIONALITY OF THE SCHEME**

This Scheme is conditional upon and subject to the following:

6.7.1 The requisite consent, approval or permission of the Appropriate Authorities or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

6.7.2 The Scheme being approved by the respective requisite majorities of the members and creditors of the Transferor Company and Transferee Company as may be directed by the

NCLT and/or any other competent authority and it being sanctioned by the NCLT and / or any other competent authority, as may be applicable.

6.7.3 As para (I) (A) (9) (a) of Annexure I of SEBI Circular No. CFD/ DIL3/ CIR/2017/21 dated 10th March, 2017 is applicable to this Scheme, therefore it is provided in the Scheme that the Transferee Company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement to be sent to the shareholders in relation to the said Resolution.

6.7.4 As para (I) (A) (9) (a) of Annexure I of SEBI Circular No. CFD/ DIL3/ CIR/2017/21 dated 10th March, 2017 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

6.7.5 All other sanctions and approvals as may be required by law including registration of the order of the Tribunal sanctioning the Scheme of Amalgamation or any other Appropriate Authority, by the Registrar of Companies, under the Act in respect of this Scheme being sanctioned.

6.7.6 Certified copies of the orders of the NCLT or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the respective Registrar of Companies.

6.7.7 Notwithstanding anything to the contrary contained herein, the non-receipt of any sanctions or approvals for transfer of a particular asset or liability forming part of the Transferor Company to the Transferee Company pursuant to this Scheme, shall not affect the effectiveness of this Scheme, if the Board of Directors of the Transferor Company and the Transferee Company so decide.

6.7.8 On the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

a) Reduction of Capital of Servoteach Industries Limited

b) Amalgamation of Servotech India Limited and transfer and vesting thereof in Servoteach Industries Limited;

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c) Transfer of the Authorized Share Capital of Servotech India Limited to Servoteach Indust Limited and consequential increase in the authorised share capital of the Transferee Comp (in accordance with paragraph 5.8 hereof).

6.8 **Revocation and withdrawal of this Scheme**

The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not approved by the NCLT or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the NCLT and/or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on either of the Transferor Company and/or the Transferee Company; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the respective 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 in accordance with the applicable law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

6.9 **Severability**

If any part of this Scheme is held invalid, ruled illegal by any Tribunal of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of both the Transferor Company and the Transferee Company that such part of the Scheme shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part of the Scheme shall causes this Scheme to become materially adverse to either the Transferee Company or the Transferor Company, in which case the Transferor Company and the Transferee Company shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part of the Scheme.

6.10 **Mutation of property**

Upon the Scheme coming into effect and with effect from the Appointed Date, the title to the immovable properties including development rights, of the Transferred Undertakings shall be

deemed to have been mutated and recognised as that of the Transferee Company and the mere filing of the certified true copy of the vesting order of the Tribunal sanctioning the Scheme with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title of the immovable properties including development rights of the Transferred Undertakings with the Transferee Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

6.11 POST SCHEME CONDUCT OF OPERATIONS

Even after the Scheme becomes effective, the Transferee Company shall be entitled to operate all Bank Accounts of the Transferor Company and realise all monies and complete and enforce all pending contracts and transactions in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme is formally accepted by the Transferor Company and the Transferee Company concerned. Pursuant to the Scheme becoming effective the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexure under the Income-tax Act, 1961 (including for minimum alternate tax purposes and tax benefits), goods and service tax law, and other tax laws, and to claim refunds and/or credits for Taxes paid (including minimum alternate tax), and to claim tax benefits under the said tax laws, and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

6.12 EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and/ or the Scheme not being sanctioned by the National Company Law Tribunal or such other competent authority by 31st December, 2018 or within such further period or periods as may be agreed upon between the Transferor Company and Transferee Company by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and will be null and void, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall equally bear and pay costs, charges and expenses for and / or in connection with the Scheme.

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6.13 **COST, CHARGES AND EXPENSES**

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the respective companies only.

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