

ANNEXURE - B

SCHEME OF AMALGAMATION

OF

EXPLOSOFT TECH SOLUTIONS PRIVATE LIMITED

WITH

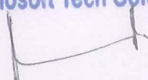
AXISCADES ENGINEERING TECHNOLOGIES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

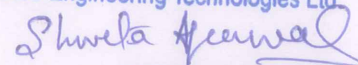
**(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013)**

For Explosoft Tech Solutions Private Limited



Authorised Signatory

AXISCADES Engineering Technologies Ltd.



**SHWETA AGRAWAL
Company Secretary**



GENERAL

I. Purpose of Scheme

This Scheme of Amalgamation ("Scheme") is presented for amalgamation of Explosoft Tech Solutions Private Limited with AXISCADES Engineering Technologies Limited pursuant to the provisions of Sections 230 to 232 and all other applicable provisions of the Act (defined herein after).

II. Rationale for the Scheme

The rationale for the amalgamation of Explosoft Tech Solutions Private Limited ("Explosoft" or "Transferor Company") with AXISCADES Engineering Technologies Limited ("ACETL" or "Transferee Company") is, inter alia, as follows:

1. To facilitate Transferee Company to acquire and consolidate Mistral Solutions Private Limited .
2. The amalgamation will result in expanding the existing business operations of the Transferee Company by combining the business interests of both companies into one corporate entity. This will lead in operational synergies, centralisation, simplification, streamlining and facilitating efficient administration.
3. Creating value for shareholders by acquiring Mistral Solutions Private Limited – A company with niche capability and ability to spearhead itself into Embedded Product Engineering Services and Electronics and thereby add to the value chain of the Transferee Company.
4. Create strong technical and infrastructural capabilities to effectively meet future challenges in the rigorously competitive Embedded Product Engineering Services and Electronics.
5. The Transferor Company is the Shareholder Company of Mistral Solutions Private Limited. The amalgamation will result in reducing the shareholding layers and facilitate direct control of Mistral Solutions Private Limited.
6. General and administrative cost reduction and productivity gains by pooling of financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Parties.

For Explosoft Tech Solutions Private Limited

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AXISCADES Engineering Technologies Ltd.

**SHWETA AGRAWAL
Company Secretary**



III. Parts of the Scheme

The Scheme is divided into the following parts:

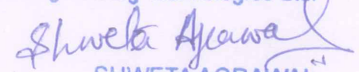
1. **Part A** – dealing with definitions of the terms used in this Scheme and sets out the share capital of Explosoft Tech Solutions Private Limited and AXISCADES Engineering Technologies Limited;
2. **Part B** – dealing with amalgamation of Explosoft Tech Solutions Private Limited with AXISCADES Engineering Technologies Limited; and
3. **Part C** – dealing with winding-up, the general terms and other conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

For Explosoft Tech Solutions Private Limited



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AXISCADES Engineering Technologies Ltd.



SHWETA AGRAWAL
Company Secretary



PART A**1. DEFINITIONS**

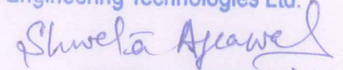
In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 1.1 **“ACETL” or “Transferee Company”** means AXISCADES Engineering Technologies Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Block C, Second Floor, Kirloskar Business Park, Bengaluru – 560 024.
- 1.2 **“Act”** means the Companies Act, 2013 and shall include rules, any statutory modification, re-enactment or amendments thereof from time to time.
- 1.3 **“Appointed Date”** means December 01, 2017 or any other the date on which ACETL acquires control of Mistral Solutions Private Limited through Board and majority voting power of Mistral Solutions Private Limited or such other date as the Tribunal(s) or such other authorities may direct/ fix.
- 1.4 **“Board of Directors” or “Board”** means the board of directors of any of Explosoft and / or ACETL, as the case may be, and shall include a duly constituted committee thereof.
- 1.5 **“Debentures”** means 12% Optionally Convertible Redeemable Debentures proposed to be issued by the Transferee Company pursuant to Clause 6.1 of the Scheme
- 1.6 **“Effective Date” or “Upon the Scheme becoming effective” or “On the Scheme becoming effective”** means the last of the dates on which the certified true copies of the order of the Tribunal(s) sanctioning the Scheme are filed with the Registrar of Companies, Mumbai by Explosoft and with the Registrar of Companies, Karnataka by ACETL, who are parties to this Scheme.

For Explosoft Tech Solutions Private Limited


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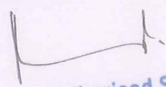


SHWETA AGRAWAL
Company Secretary

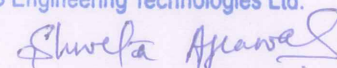


- 1.7 **"Explosoft" or "Transferor Company"** means Explosoft Tech Solutions Private Limited, (Formerly known as Explore India Leisure & Hospitality Private Limited) a company incorporated under the Companies Act, 2013, and having its registered office at Office No. 1, 1st Floor, Fine Mansion, 203, D.N. Road, Fort, Mumbai – 400 001.
- 1.8 **"Explosoft Debentures"** means 13% Cumulative Optionally Convertible Redeemable Debentures issued and allotted by Explosoft.
- 1.9 **"Government Authority"** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.
- 1.10 **"Minimum Public Shareholding"** shall have the meaning given to such term in Rule 19(2) and Rule 19A of Securities Contracts (Regulation) Rules, 1957 in a manner as specified by SEBI (defined herein after) from time to time. Presently, a listed company is required to maintain public shareholding of atleast 25% (Twenty five percent).
- 1.11 **"People Acting in Concert"** shall have the meaning given to it in clause q of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
- 1.12 **"Promoter" or Promoters "** shall have the meaning given to it in clauses (za) and (zb) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- 1.13 **"Record Date"** means the date to be fixed by the Board of Directors of ACETL and Explosoft for the purpose of determining the shareholders and debenture holders of Explosoft who shall be entitled to receive equity shares of ACETL as per Clause 5.1 of the Scheme and Debentures of ACETL as per Clause 6.1 of the Scheme.
- 1.14 **"Sale Shares"** means Phase 1 acquisition of 16,32,718 equity shares of face value INR 5/- each of Mistral Solutions Private Limited, by ACETL for cash.

For Explosoft Tech Solutions Private Limited


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Company Secretary



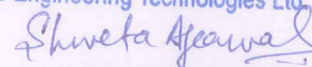
- 1.15 "SCRA" means the Securities Contracts (Regulation) Act, 1956 and shall include rules, any statutory modification, re-enactment or amendments thereof from time to time.
- 1.16 "SCRR" means the Securities Contracts (Regulation) Rules, 1957 and shall include rules, any statutory modification, re-enactment or amendments thereof from time to time.
- 1.17 "SEBI" means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.18 "SEBI Act" means Securities and Exchange Board of India Act, 1992 and shall include rules, any statutory modification, re-enactment or amendments thereof from time to time.
- 1.19 "SEBI Circular" means, together, the circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017 and the circular no. CFD/DIL3/CIR/2017/26 dated 23 March 2017, each issued by the SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time.
- 1.20 "SEBI Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.21 "Scheme" or "the Scheme" or "this Scheme" means this Scheme in its present form or with any modification(s) made under Clause 18 of this Scheme, as approved or directed by the Tribunal(s) (defined herein after).
- 1.22 "Stock Exchanges" means the BSE Limited and the National Stock Exchange of India Limited collectively.
- 1.23 "Tribunal(s)" means the National Company Law Tribunal Bench at Bengaluru having jurisdiction over ACETL and the National Company Law Tribunal Bench at Mumbai having jurisdiction over Explosoft.

For Explosoft Tech Solutions Private Limited



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AXISCADES Engineering Technologies Ltd.

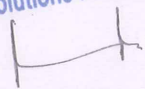


SHWETA AGRAWAL
Company Secretary



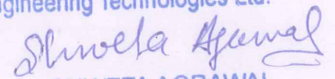
All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, the Income-tax Act, 1961 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modifications or re-enactments thereof from time to time.

For Explosoft Tech Solutions Private Limited



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AXISCADES Engineering Technologies Ltd.



SHWETA AGRAWAL
Company Secretary



2. SHARE CAPITAL

- 2.1 The authorized, issued, subscribed and paid-up share capital of Explosoft as on March 31, 2017, was as follows:

Authorized Capital	Amount (INR)
50,000 Equity Shares of INR 10/- each	5,00,000
Issued, Subscribed and Paid-up Capital	Amount (INR)
10,000 Equity Shares of INR 10/- each fully Paid-up	1,00,000

Subsequent to March 31, 2017, Explosoft increased its Authorized Capital and allotted equity shares. Post this, the Authorized, Issued, Subscribed and Paid-up share capital of Explosoft is as follows:

Authorized Capital	Amount (INR)
2,50,00,000 Equity Shares of INR 10/- each	25,00,00,000
Issued, Subscribed and Paid-up Capital ^{###}	Amount (INR)
2,41,91,364 Equity Shares of INR 10/- each fully Paid-up	24,19,13,640

For Explosoft Tech Solutions Private Limited

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AXISCADES Engineering Technologies Ltd.

SHWETA AGRAWAL
Company Secretary



- 2.2 The authorized, issued, subscribed and paid-up share capital of ACETL as on March 31, 2017, was as follows:

Authorized Capital	Amount (INR)
20,40,00,000 Equity Shares of INR 5/- each	1,02,00,00,000
1,00,000 Preference Shares of INR 100/- each	1,00,00,000
Total	1,03,00,00,000
Issued Capital	Amount (INR)
3,78,10,630 Equity Shares of INR 5/- each fully paid up	18,90,53,150
Total	18,90,53,150
Subscribed and Paid-up Capital	Amount (INR)
3,77,59,530 Equity Shares of INR 5/- each fully paid up	18,87,97,650
Add: Forfeited shares (amount originally paid INR 3/- per share on 51,100 Equity Shares)	1,53,300
Total	18,89,50,950

Subsequent to March 31, 2017, there has been no change in the share capital of ACETL.

3. 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 Tribunal(s) shall be effective from the Appointed Date mentioned herein, but shall be operative from the Effective Date.

For Explosoft Tech Solutions Private Limited

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AXISCADES Engineering Technologies Ltd.

SHWETA AGRAWAL
Company Secretary



PART B**AMALGAMATION OF EXPLOSOFT WITH ACETL****4. AMALGAMATION OF EXPLOSOFT WITH ACETL**

- 4.1 Upon the Scheme becoming effective but with effect from Appointed Date, the Transferor Company, pursuant to Sections 230 to 232 of the Act and any other relevant provisions of the Act (as may be applicable) and without any further act, instrument, deed, matter, or thing, be transferred to and vested in the Transferee Company by way of amalgamation.
- 4.2 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and undertaking(s) of the Transferor Company including all the debts, liabilities, duties and obligations, including those arising on account of taxation laws and other allied laws of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company comprising, amongst others, all freehold land, leasehold land, building, plants, motor vehicles, receivables, actionable claims, furniture and fixtures, computers, instruments and equipments, machineries, T.V sets, cameras, software, products, portals, inventories, merchandising rights, websites, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorisations, approvals, insurance cover of every description, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret, brands, registrations, product licenses, marketing authorisations or other intellectual property rights, proprietary right, title, interest, contracts, consent, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the applicable provisions of the Act and pursuant to the order of the Tribunal(s) sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, debts, liabilities, duties and obligations, business and undertaking(s) of the Transferee Company.

For Explosoft Tech Solutions Private Limited

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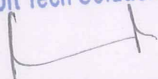
Shweta Agrawal

SHWETA AGRAWAL
Company Secretary



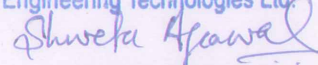
- 4.3 With effect from the Appointed Date all debts, liabilities, duties, Explosoft Debentures and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.
- 4.4 With effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.
- 4.5 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.
- 4.6 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by the Transferor Company after the Appointed Date, over the assets comprised in the business and undertaking(s) or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Transferor Company the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company.

For Explosoft Tech Solutions Private Limited



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SHWETA AGRAWAL
Company Secretary



- 4.7 The existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- 4.8 It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 4.9 With effect from the Appointed Date, all statutory licences, registrations, incentives, tax deferrals and benefits, carry-forward of tax losses, tax credits, tax refunds, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of the Transferor Company special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date shall stand vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the business and undertaking(s) of the Transferor Company pursuant to this Scheme.
- 4.10 The amalgamation of the Transferor Company into the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income-tax Act, 1961. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. At a later date, if any term or provision of the Scheme is found or interpreted to be inconsistent with any provision thereof, including resulting from an amendment of law or for any reason whatsoever, the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect other parts of the Scheme.

For Explosoft Tech Solutions Private Limited

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Shweta Agrawal

SHWETA AGRAWAL
Company Secretary




5. CONSIDERATION

- 5.1 Upon this Scheme becoming effective and in consideration for the amalgamation of the Transferor Company with the Transferee Company, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot equity shares credited as fully paid-up, to the extent indicated below, to the members of the Transferor Company, holding fully paid-up equity shares in the Transferor Company and whose names appear in the Register of Members of the Transferor Company, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of Directors of the Transferor Company in the following proportion:


"10 (Ten) fully paid-up Equity Shares of INR 5/- each of ACETL shall be issued and allotted for 69 (Sixty Nine) fully paid-up Equity Shares of INR 10/- each held in Explosoft (herein after referred to as "New Equity Shares")."

- 5.2 The New Equity Shares to be issued to the members of the Transferor Company pursuant to Clause 5.1 shall be in multiples of 1. Any fractional equity shares shall be rounded-off to the next higher multiple of 1.
- 5.3 The New Equity Shares to be issued to the members of the Transferor Company pursuant to Clause 5.1 read with Clause 5.2 shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu with the existing equity shares of the Transferee Company in all respects.
- 5.4 The Equity Shares of the Transferee Company shall be issued and allotted in dematerialized form to those equity shareholders who hold equity shares in demat form of the Transferor Company. If such details are not provided by the Board of Transferor Company, the New Equity Shares shall be issued in the physical form.
- 5.5 New Equity Shares of the Transferee Company to be issued and allotted to the equity shareholders of the Transferor Company pursuant to Clause 5.1 of this Scheme will be listed and admitted to trading on the Stock Exchanges, where the equity shares of the Transferee Company are listed and traded in accordance with the applicable laws. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the

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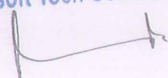
applicable laws, SEBI Listing Regulations for complying with the formalities of the said Stock Exchanges. The new Equity Shares allotted pursuant to Clause 5.1 of this Scheme shall remain frozen in the depositories system until relevant directions in relation to listing and/ or trading are provided by the relevant Stock Exchanges.

- 5.6 The Transferee Company shall, prior to the Scheme becoming effective, take necessary actions including but not limited to passing necessary resolutions; making relevant filings with Ministry of Corporate Affairs, Registrar of Companies, Karnataka; and payment of necessary stamp duty and filing related fees as may be payable under applicable law and regulations for increase in the authorized share capital for issuance of equity shares under the Scheme and consequent amendments to the memorandum and articles of association of the Transferee Company.
- 5.7 Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Sections 42, 62 and the other relevant provisions of the Act, SEBI Listing Regulations and all applicable laws for the issue, allotment and listing of equity shares by the Transferee Company, as provided in this Scheme.

6. ISSUE AND ALLOTMENT OF DEBENTURES

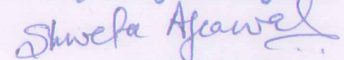
- 6.1 Upon this Scheme becoming effective, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot such number of Debentures credited as fully paid-up equivalent to the extent of the principal amount along with accumulated interest recorded by the Transferor Company in its books of accounts upto the Effective Date, to the debenture holders of the Transferor Company, holding fully paid-up Explosoft Debentures in the Transferor Company, as per the terms and subject to the conditions set out in Annexure 1 and whose names appear in the Register of Debentures Holders of the Transferor Company, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of Directors of the Transferor Company.
- 6.2 The Debentures of the Transferee Company to be issued and allotted to the Explosoft Debenture holders pursuant to Clause 6.1 of this Scheme will be not be listed and hence not be admitted for trading on the Stock Exchanges, where the equity shares of the Transferee Company are listed.

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AXISCADES Engineering Technologies Ltd.



SHWETA AGRAWAL
Company Secretary



- 6.3 Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Sections 42, 62, 71 and the other relevant provisions of the Act.

7. STAFF, WORKMEN & EMPLOYEES


- 7.1 On the Scheme becoming effective, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the later of Appointed Date or the actual date of joining, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost to company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company on the Effective Date.

- 7.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such funds/trusts or in relation to the obligation to make contributions to the said funds/trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such funds/trusts shall become those of the Transferee Company. It is clarified that, for the purpose of the said funds/trusts, the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company.

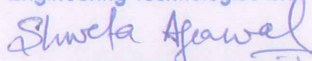
8. LEGAL PROCEEDINGS

- 8.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, including those arising on account of taxation laws and other allied laws, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this arrangement or by anything contained in this Scheme, but

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SHWETA AGRAWAL
Company Secretary



the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

9. CONTRACTS, DEEDS, ETC. AND POWER TO GIVE EFFECT TO THIS PART

9.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, registrations, licenses, permissions, approvals, consents, entitlements, sanctions, permits benefits, rights arising from contracts, deeds, licenses, instruments and agreements, if any, of whatsoever nature to which the Transferor Company is party to and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto, notwithstanding the terms contained in such contracts, deeds, bonds, agreements, licences, permits, registrations, approvals and other instruments etc.

9.2 The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

10. TAXATION MATTERS

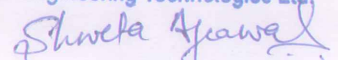
10.1 All taxes (including, without limitation, income tax, wealth tax, sales tax, custom duty, service tax, value added tax, central sales tax, GST, etc.) paid or payable by the Transferor Company in respect of the operations or profits and assets of the Transferor Company before the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to any tax payment (including, without limitation, income tax, minimum alternate tax, dividend distribution tax, wealth tax, sales tax, custom duty, service tax, value added tax, central sales tax, GST, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of its profits or activities or operation or assets with effect from the Appointed Date, the same be deemed to be the corresponding item

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paid by the Transferee Company and shall in all proceedings be dealt with accordingly.

- 10.2 Any refund under the tax laws due to the Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 10.3 The Transferee Company shall be entitled to revise and file income tax returns, sales tax / value added tax return, service tax returns and any other returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme. The Transferee Company shall be entitled to such tax benefits, including but not limited to, minimum alternate tax paid under Section 115JA/115JB of the Income-tax Act, 1961 and the right to claim credit in accordance with Section 115JAA of the Income-tax Act, 1961, including the benefit of brought forward losses or depreciation as admissible under the provisions of the Income-tax Act, 1961 to the extent applicable, of the Transferor Company from the taxable profits of the Transferee Company with effect from the Appointed Date. Further, all existing and future benefits/ claim/ relief under the provisions of Income-tax Act, 1961 shall be available to the Transferee Company in the same manner and to the extent as those were available otherwise to the Transferor Company upon fulfilment of the prescribed conditions. The Transferee Company shall continue to enjoy the tax benefits and concessions provided to the Transferor Company by the concerned authorities.
- 10.4 Any refund/ credit/ claim benefits/ incentives under any tax laws due to the Transferor Company (including but not limited to advance tax, self-assessment tax, regular assessment tax, service tax, CENVAT, minimum alternative tax, value added tax, central sales tax central sales tax, GST, etc.) shall belong to and be received by the Transferee Company. Without prejudice to the generality of the aforesaid provision, all the benefits under the various incentive schemes and policies that the Transferor Company is entitled to, in relation to its operations, shall upon the Scheme becoming effective and with effect from the Appointed Date be transferred to and vested in the Transferee Company and all the benefits, entitlements and incentives of any nature whatsoever, including minimum alternate tax credit entitlement, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the

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Transferee Company was originally entitled to all benefits under such incentives schemes and/ or policies.

- 10.5 The Transferee Company shall be deemed to be authorized under this Scheme to execute any pleadings, submissions, applications, forms, etc., as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

11. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

- 11.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for amalgamation of Transferor Company in its books of account in accordance with the method prescribed under the Indian Accounting Standard notified under Section 133 of the Act, as amended from time to time.
- 11.2 The amount of any inter-company balances amongst the Transferor Company and between the Transferor Company and the Transferee Company, if any, shall stand cancelled without any further act or deed, upon the Scheme becoming effective.
- 11.3 The Transferee Company shall credit to equity in its books of account, the difference between the fair value and face value of the equity shares issued as per Clause 5.1 by the Transferee Company pursuant to this Scheme.
- 11.4 In case of any differences in accounting policies between the Transferee Company and the Transferor Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.

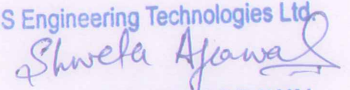
12. REORGANISATION OF AUTHORIZED CAPITAL OF THE TRANSFEREE COMPANY

- 12.1 Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its authorized share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital and accordingly,

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the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorized share capital.

- 12.2 Clause 5 of the Memorandum of Association of the Transferee Company and any other Clause(s) of the Memorandum of Association and Articles of Association as may be applicable shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to the applicable provisions of the Act by deleting the existing Clause and replacing it with the following:

"The Authorized Share Capital of the Company is INR 128,00,00,000/- (Rupees One Hundred Twenty Eight Crores only) divided into 25,40,00,000/- (Twenty Five Crore Forty Lakh only) Equity Shares of INR 5/- each and 1,00,000 (One Lakh only) Preference Shares of INR 100/- each."

13. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

During the period from the Appointed Date to the Effective Date:

- 13.1 The Transferor Company shall carry on and be deemed to have carried on its businesses and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire businesses and undertaking(s) for and on account of and in trust for the Transferee Company.
- 13.2 The Transferor Company shall carry on its business and activities in the ordinary course of business with reasonable diligence and business prudence.
- 13.3 All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred or arising to the Transferor Company, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company.
- 13.4 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to Government Authority concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

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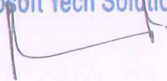
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14. SAVING OF CONCLUDED TRANSACTIONS

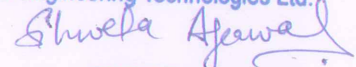
- 14.1 Subject to the terms of this Scheme, the transfer and vesting of the assets and liabilities of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

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PART C**WINDING-UP, THE GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS
SCHEME AND OTHER MATTERS CONSEQUENTIAL AND INTEGRALLY CONNECTED
THERE TO****15. WINDING-UP**

15.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved, without being wound-up.

16. CONDITIONALITY OF THE SCHEME

16.1 This Scheme is and shall be conditional upon and subject to:

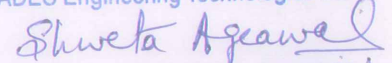
- i. The requisite consent, approval or permission of the Central Government or any Government Authorities, which by law may be necessary for the implementation of this Scheme;
- ii. The approval by the requisite majority of the members / creditors of the Transferor Company and the Transferee Company as may be directed by the Tribunal(s) and requisite approval from public shareholders of the Transferee Company through e-voting;
- iii. Receipt of approvals of the relevant Stock Exchanges where the equity shares of ACETL are listed and traded and SEBI in terms of the SEBI Circular, as applicable.
- iv. The sanction of the Tribunal(s) being obtained under Sections 230 to 232 and any other applicable provisions of the Act, on behalf of the Transferor Company and the Transferee Company;
- v. The certified copies of the orders of the Tribunal(s) sanctioning the Scheme are filed with the jurisdictional Registrar of Companies; and
- vi. Compliance with such other conditions as may be imposed by the Tribunal(s).

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17. APPLICATION TO TRIBUNAL(S)

17.1 The Transferor Company and the Transferee Company shall, with all reasonable despatch, make and file applications/ petitions under Sections 230 to 232 and other applicable provisions of the Act to the Tribunal(s) within whose jurisdiction the registered offices of the Transferor Company and the Transferee Company for seeking approval of the Scheme and for such other orders as the Tribunal(s) may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto and for dissolution of the Transferor Company without being wound-up.

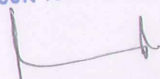
18. MODIFICATION OR AMENDMENTS TO THE SCHEME

18.1 The Transferor Company and the Transferee Company by their respective Board of Directors may make and / or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the Tribunal(s) or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The Transferor Company and the Transferee Company by their respective Board of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any authority or otherwise, however arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

19. EFFECT OF NON-RECEIPT OF APPROVALS

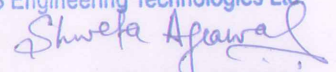
19.1 In the event any of the approvals or conditions enumerated in the Scheme are not obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferor Company and the Transferee Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the Tribunal(s), the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

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20. MINIMUM PUBLIC SHAREHOLDING

- 20.1 In the event the Debentures issued by the Transferee Company pursuant to Clause 6.1 of this Scheme are converted by the Transferee Company in accordance with terms and conditions as detailed under Annexure 1 and such conversion results in breaching the Minimum Public Shareholding limits as may be prescribed by SEBI, then the maximum number of equity shares that may be converted by the Transferee Company would be limited to such number whereby the total number of equity shares post conversion i.e. sum total of existing number of equity shares held by the Promoters and People Acting in Concert along with the additional number of equity shares to be allotted pursuant to conversion would not exceed the limits prescribed under the applicable SEBI Act, SCRA, SCRR, Act or any other law, act, rules, regulations as may be applicable on the date of conversion of Debentures into equity shares of the Transferee Company.

21. COSTS, CHARGES AND EXPENSES

- 21.1 All costs, charges, expenses, taxes including duties, levies and all other expenses, if any arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be accounted in the books of the Transferor Company (for and on behalf of the Transferee Company) and in the books of the Transferee Company, as the case maybe prior or post making the Scheme Effective and the same shall be discharged, borne, settled by the Transferee Company.

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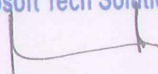


ANNEXURE 1

TERMS OF THE OPTIONALLY CONVERTIBLE REDEEMABLE DEBENTURES

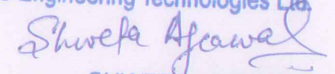
Instrument	Optionally Convertible Redeemable Debentures
Nature of Debentures	Unsecured Debenture
Principal Amount	INR 35,00,00,000/- (Rupees Thirty Five Crores only)
Nominal value of Debentures	INR 10/- (Rupees Ten only)
Allotment Value	At par i.e. INR 10/- (Rupees Ten only)
Interest on Debentures	12% (Twelve Percent) per annum
Tenure of Debentures	18 (Eighteen) months from Effective Date
Conversion Rights	Transferee Company
Conversion Price	INR 207/- (Rupees Two Hundred and Seven only) i.e. fair value of equity share of ACETL
Conversion Terms	The Debentures may be converted into equity shares of the Transferee Company at any time at the sole discretion of the Board of the Transferee Company post making the Scheme Effective however within a period of 18 (Eighteen) months from the Effective Date

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Conversion Amount	INR 35,00,00,000/- crore (Rupees Thirty Five Crores) + Interest Accumulated and recorded in the books of the Transferor Company till the Effective Date
Voting Rights	Debentures will not carry any voting rights
Listing of Debentures	Debentures issued by the Transferee Company as per Clause 6.1 of this Scheme will be unlisted throughout its tenure
Redemption Terms	Within 15 (Fifteen) working days, from end of 18 (Eighteen) months from Effective Date, provided such Debentures, either fully or partly (as per the limitations detailed in Clause 20.1 of this Scheme) have not converted into equity shares of the Transferee Company

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