



L.G. BALAKRISHNAN & BROS LIMITED

National Stock Exchange of India Limited "Exchange Plaza" Bandra Kurla Complex Bandra (E) Mumbai - 400 051	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
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25.07.2017

To,

Respected Sir/madam,

Sub: Filing Certified Copy of Proposed Draft Scheme of Merger of M/s BCW V Tech India Private Limited., (Wholly Owned Subsidiary - Transferor Company) with M/s L.G.Balakrishnan & Bros Limited. (Holding Company - Transferee Company) - Disclosure-reg;

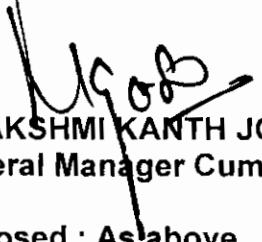
M/s BCW V Tech India Private Limited., is a wholly owned subsidiary of M/s L.G.Balakrishnan & Bros Ltd. As per SEBI Circular No.SEBI/LAD/NRO/GN/2016-17/029 read with Regulation 37 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Certified Copy of proposed Draft Scheme of Merger and Board resolution are forwarded herewith for disclosure purposes.

Kindly take the above on record.

Thanking You,

Sincerely Yours

For L.G. BALAKRISHNAN & BROS LIMITED


M LAKSHMI KANTH JOSHI
General Manager Cum Company Secretary

Enclosed : As above

**SCHEME OF AMALGAMATION
OF
BCW V TECH INDIA PRIVATE LIMITED**

**WITH
L.G.BALAKRISHNAN & BROS LIMITED**

(Under Sections 230 to 232 and Applicable Notified Provisions of the Companies Act 2013)

PREAMBLE & RATIONALE TO THE SCHEME

- (A) **BCW V TECH INDIA PRIVATE LIMITED – CIN: U72200TZ2006PTC012831** (hereinafter referred to as "Transferor Company") was incorporated on the 7th day of June, 2006 under the Companies Act, 1956, in the State of Tamil Nadu. The registered office of the Transferor Company is situated at 6/16/13 Krishnarayapuram Road, Ganapathy, Coimbatore 641 006, Tamil Nadu, India. The Transferor Company is engaged in the business of Manufacturer / Exporters / Wholesale Suppliers of Machined Components which is basically used in Automobile Industry (hereinafter referred to as the "**Business of the Transferor Company**"). The entire issued, subscribed and paid-up share capital of the Transferor Company is held by "L.G.Balakrishnan & Bros Limited", the Transferee Company, in its own name and jointly with its nominees. Hence, the Transferor Company is a wholly-owned subsidiary of the Transferee Company.
- (B) **L.G.BALAKRISHNAN & BROS LIMITED – CIN: L29191TZ1956PLC000257** (hereinafter referred to as "Transferee Company"), was incorporated on 24th day of March, 1956 under the Companies Act, 1913 as a Private Limited Company and then converted into Public Limited Company on 15th January 1975.. The registered office of the company is situated at 6/16/13 Krishnarayapuram Road, Ganapathy, Coimbatore 641 006, Tamil Nadu, India. The equity shares of the Transferee Company are listed on the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**"). The Transferee Company is engaged in the business of manufacturing chains, sprockets and metal formed parts for automotive applications (hereinafter referred to as the "**Business of the Transferee Company**"). The Transferee Company is the holding company of the Transferor Company.
- (C) The Scheme of Amalgamation (as defined hereinafter) of Transferor Company with the Transferee Company has been formulated and presented under Section 230 to Section 232 and other applicable provisions, if any, of the Companies Act, 2013..
- (D) The Scheme of Amalgamation of Transferor Company with the Transferee Company is in compliance with the norms laid down under Section 2 (1B) of the Income Tax Act, 1961.
- (E) The Scheme of Amalgamation is expected to yield the following benefits :
- (i) Enable consolidation of the business of both the companies into one entity which will facilitate in focused growth, operational efficiencies, business synergies and better supervision of the business of the group.



- (ii) Pooling of resources (including manpower, management and administration and marketing resources) of the aforesaid companies resulting in, synergies of operations and optimisation of logistics, resulting in more productive utilisation of said resources, savings in cost and operational efficiencies.
- (iii) Strengthening financial position and increased leverage capacity of the merged entity
- (iv) Concentrated management focus, improved organisational capacity, integration rationalisation and streamlining of the management structure of the merged entity, seamless implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities.
- (v) Facilitating internal transfer of resources and optimum utilisation of assets
- (vi) Avoiding duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances
- (vii) Enable the creation of a platform for a new business segment and to act as a gateway for growth and expansion of business operations.

PART I - GENERAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following shall have the meanings as provided herein:

- 1.1 **"Act"** means the Companies Act, 2013 and/or Companies Act 1956, where applicable, as amended/ substituted from time to time;
- 1.2 **"Appointed Date"** means the date from which this Scheme shall become operative viz., 1st April 2017 or any other date as may be stipulated by NCLT.
- 1.3 **"Board"** or **"Board of Directors"** means the board of directors of the Transferor Company or the Transferee Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors;
- 1.4 **"Tribunal" or "NCLT"** means the Hon'ble Tribunal (i.e.) the National Company Law Tribunal (**"NCLT"**) & the National Company Law Appellate Tribunal (**"NCLAT"**) as constituted and authorized as per the provisions of the Companies Act, 2013.
- 1.5 **"Effective Date"** means the date or last of the dates on which the certified copy of the order of NCLT sanctioning this Scheme passed by the Tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable, are filed with the concerned Registrar of Companies by the Transferor Company and the Transferee Company. All references in this Scheme to the date of "coming into effect of this Scheme" or "Effectiveness of this Scheme" or "Scheme taking Effect" shall mean the Effective Date.



- 1.6 **"Scheme of Amalgamation"** or **"Scheme"** or **"The Scheme"** or **"This Scheme"** means this Scheme of Amalgamation in its present form or with any modification(s) approved, imposed, or directed by the shareholders in general meeting or by the Hon'ble NCLT.
- 1.7 **"Transferee Company"** means **"L.G.BALAKRISHNAN& BROS LIMITED"**, a public listed company incorporated under the Companies Act, 1913 on 24th day of March, 1956 and having its registered office at 6/16/13 Krishnarayapuram Road, Ganapathy, Coimbatore 641 006, Tamil Nadu, India.
- 1.8 **"Transferor Company"** means **"BCW V TECH INDIA PRIVATE LIMITED"**, a company incorporated under the Companies Act, 1956 on the 7th day of June, 2006 and having its registered office at 6/16/13 Krishnarayapuram Road, Ganapathy, Coimbatore 641 006, Tamil Nadu, India.
- 1.9 **"Undertakings"** shall mean and include the whole of the undertakings of the Transferor Company, as a going concern, including the entire Business of Transferor Company, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable property (set out in **Schedule-A**) real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without limited to land & building (whether owned, leased, licensed) all fixed assets, tangible assets, deferred tax assets, movable assets, plant and machinery, furniture and fixtures, vehicles, computer hardware and software, generators, inventories, reserves, electrical fittings, raw material, work in progress, finished goods, trading goods, trade receivables, cash in hand, Cheque and Demand Drafts on hand, cash with banks, loans and advances receivable, advance for purchases, advance payment of taxes, deposits with statutory authorities, other deposits, current assets, non-current assets, investments, reserves, provisions, funds, licenses, registrations, accreditations to trade and industrial bodies, copyrights, patents, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of



income tax, sales tax, value added tax, turnover tax, service tax, etc.), Software Licences, Domain / Websites etc., in connection with or relating to each of the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

1.10 "Proceedings" include any Suit, Appeal or any Legal proceedings of whatsoever nature in any Court of law or Tribunal or any Judicial or quasi-judicial authority, Arbitration proceedings and assessment proceedings before any authority under any statute.

1.11 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

2.1. The present Share Capital of Transferor Company is as under

Particulars	Amount in Rs.
Authorised Share Capital	
70,00,000 Equity Shares of Rs.10/- each	7,00,00,000
Issued, Subscribed and Paid-up Share Capital	
49,99,999 Equity Shares of Rs.10/- each	4,99,99,990

2.2. The present Share Capital of the Transferee Company is as under

Particulars	Amount in Rs.
Authorised Share Capital	
2,00,00,000 Equity Shares of Rs.10/- each	20,00,00,000
Issued, Subscribed and Paid-up Share Capital	
1,56,96,208 Equity Shares of Rs.10/- each	15,69,62,080

PART II – TRANSFER AND VESTING

3. TRANSFER OF UNDERTAKINGS

3.1 The entire Undertaking of the Transferor Company shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

(a) With effect from the Appointed Date, the whole of the Undertakings of the Transferor Company comprising its entire business, all assets and liabilities of whatsoever nature and wheresoever's situated, including the immovable



properties, if any, shall, in pursuance of Section 230 to Section 232 and other applicable provisions, if any of the Companies Act, 2013, without any further act or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the Undertakings of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

- (b) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description of the Transferor Company, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet, including but not limited to deferred tax liabilities, loans from banks, loans from corporates, statutory liabilities, liabilities for employees cost, liabilities for expenses, advances against sales, advances from customers, expenses payable, shall also, under the provisions of Section 230 to Section 232 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.
- (c) The transfer and vesting of the Undertakings of the Transferor Company as aforesaid shall be subject to the existing securities, charges and mortgages, if any subsisting, over or in respect of the property and assets or any part thereof of the respective Transferor Company.
- (d) With effect from the Appointed Date all permits, quotas, rights, entitlements, licences (including software licences), accreditations to trade and industrial bodies, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which the Transferor Company may be eligible, or having effect immediately before the Effective Date, shall be, and remain in, full force and effect in favour of the Transferee Company, and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary thereto.
- (e) In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any



other person and availed of by the Transferor Company are concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.

- (f) Loans or other obligations, contracts or agreements if any, between the Transferor Company and the Transferee Company shall stand extinguished and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by Transferor Company, and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by the Transferor Company or the Transferee Company, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.
- (g) The Transferor Company shall have taken all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of immovable property, if any, is given to the Transferee Company.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 4.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite arrangement, confirmation or novation to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.
- 4.2 As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.

5. LEGAL PROCEEDINGS

- 5.1 All suits, actions and proceedings of whatsoever nature by or against the Transferor Company on the Appointed Date shall be transferred to the name of Transferee Company and the same shall be continued and enforced by or

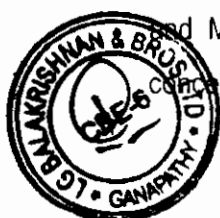


against the Transferee Company, to the exclusion of the Transferor Company, as the case may be.

- 5.2 If proceedings are taken against the Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till Effective Date, and the latter shall reimburse and indemnify such Transferor Company, against all liabilities and obligations incurred by the said Transferor Company in respect thereof.

6. TRANSFEROR COMPANY STAFF, WORKMEN AND EMPLOYEES

- 6.1 All the executives, staff, workmen, and other employees in the service of the Transferor Company, immediately before the Appointed Date, under this Scheme shall become the executives, staff, workmen, and other employees of the Transferee Company, on the basis that:
- a) Their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25FF of the Industrial Disputes Act, 1947;
 - b) The terms and conditions of service applicable to the said staff, workmen, and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
 - c) In the event of retrenchment of such staff, workmen, or other employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
 - d) It is provided that as far as the Provident Fund, Gratuity, Pension, Superannuation Fund or any other special funds that are applicable to the employees of the Transferee Company and existing in the Transferee Company for the benefit of the staff, workmen and other employees of the Transferee Company shall also be extended to the employees of the Transferor Company upon the Scheme becoming finally effective. The said benefits shall be extended to the employees of the Transferor Company even if such benefits were not available to the employees during their tenure in the Transferor Company, by virtue of non applicability of the relevant provisions to the Transferor Company. Notwithstanding what is stated herein above in respect of applicability of Employees Provident Fund to the employees of Transferor Company with retrospective effect from a date to be determined by the Board of Directors of Transferee company the extension of benefit to the employees of Transferor Company shall be subject to the provisions of The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the approvals of the authorities concerned for giving effect to the implementation date. It is the aim and the intent



of the Scheme that all the rights, duties, powers and obligations, in whatsoever nature, that are available to the employees of the Transferee Company shall also be available to all the employees of the Transferor Company in relation to Provident Fund, Gratuity and Pension and/ or Superannuation Fund or any other special fund, however subject to the provisions of the relevant and applicable statutes.

7. SAVING OF CONCLUDED TRANSACTIONS

- 7.1 The transfer of Undertakings under Clause 3 above, the continuance of the effectiveness of contracts and deeds under Clause 4 above and legal proceedings by or against the Transferee Company under Clause 5 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and 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 done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

8. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

- 8.1 The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- 8.2 All profits or income or taxes, including but not limited to income tax, fringe benefit tax, advance taxes, tax deducted at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, refund, reliefs, etc., accruing or arising to the Transferor Company, or losses arising or expenditure incurred by them, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.
- 8.3 The Transferor Company shall carry on their business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any of their business undertaking(s) or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).
- 8.4 The Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may



require including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Transferee Company.

- 8.5 The Transferor Company shall continue to comply with the provisions of the Act including those relating to preparation, presentation, circulation and filing of accounts as and when they become due for compliance.
- 8.6 The Transferor Company shall not make any modification to their capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or reorganisation or in any other manner, whatsoever, except by mutual consent of the Boards of Directors of the Transferor Company and of the Transferee Company.
- 8.7 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.

9. AUTHORISED SHARE CAPITAL

- 9.1 Upon the Scheme becoming fully effective, the authorised share capital of the Transferor Company shall stand combined with the authorised share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on their respective authorised share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorised share capital.
- 9.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended under applicable provisions of the Act by deleting the existing Clause and replacing it by the following new clause V:
- "V. The Authorised Share Capital of the Company is Rs.27,00,00,000/- (Rupees Twenty Seven Crores only) divided into 27,00,00,000 (Twenty Seven Crores) equity shares of Re.10/- (Ten Rupees only) each with power to increase or reduce the capital and with liberty to divide the capital into several classes and to attach thereto respectively such preferential rights, privileges, or conditions in such manner as may be permitted by the Companies Act and as the company deems fit and necessary."
- 9.3 The approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall be deemed to have the approval under Section 13, 14, 61 & 62 and other applicable provisions of the Companies Act 2013 and any other consents and approvals required in this regard.



10. CANCELLATION OF EQUITY SHARES OF THE TRANSFEROR COMPANY / REORGANISATION OF CAPITAL

- 10.1 The Transferor Company is a wholly-owned subsidiary of the Transferee Company. Upon this Scheme coming into effect, the equity shares of the Transferor Company held by the Transferee Company directly and/or through its nominee(s), constituting the entire paid up share capital of the Transferor Company will stand cancelled.

Accordingly, there would be no issue of shares of the Transferee Company to the shareholders (including those holding the shares as nominees of the Transferee Company) of the Transferor Company.

11. ACCOUNTING TREATMENT

Upon the Scheme becoming effective, the amalgamation of the Transferor Company with the Transferee Company would follow '**pooling of interest**' method as prescribed in the Indian Accounting Standard 103 (Appendix C): '**Accounting for Business Combinations under Common Control**' as per the provisions of Section 133 of the Companies Act, 2013, such that:-

- 11.1 The Transferee Company shall, upon the Scheme coming into effect, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme at the respective book values thereof and in the same form as appearing in the books of the Transferor Company at the close of business of the day immediately preceding the Appointed Date.
- 11.2 The Transferee Company shall record the security premium, general reserves and the capital reserves, if any, of the Transferor Company in the same form and at the same values as they appear in the financial statements of the Transferor Company at the close of business of the day immediately preceding the Appointed Date. The surplus balance in the Statement of Profit and Loss of the Transferor Company shall be similarly aggregated with the surplus balances in statement of Profit and Loss of the Transferee Company.
- 11.3 The accumulated losses/ deficit in the Statement of Profit and Loss of the Transferor Company shall be shown as goodwill in the books of the Transferee Company.
- 11.4 The difference, if any, between the investment of the Transferee Company and the amount of share capital of the Transferor Company shall be adjusted in the Reserves of the Transferee Company.
- 11.5 To the extent there are inter-corporate loans or balances 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.



12. CONSEQUENTIAL MATTERS RELATING TO TAX

12.1 Upon the Scheme coming into effect, all taxes/ cess/ duties, direct and/or indirect, payable by or on behalf of the Transferor Company from the Appointed Date onwards including refunds or claims pending with the Revenue Authorities and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims and accumulated losses of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise, if it becomes necessary, its Income tax returns, Sales tax returns, Excise & Cenvat returns, service tax returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme. The Transferee Company is also expressly permitted to claim refunds / credits in respect of any transaction between or amongst any Transferor Company and the Transferee Company or inter se amongst the Transferor Company.

Provided further that upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise, if it becomes necessary, its income tax returns and related TDS Certificates, including TDS Certificates relating to transactions between the Transferor Company and the Transferee Company and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

12.2 In accordance with the Cenvat Credit Rules framed under the Central Excise Act, 1944, as are prevalent on the Effective Date, the unutilized credits relating to excise duties/service tax paid on inputs/capital goods/ input services lying in the accounts of the undertakings of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty/ service tax payable by it.

12.3 In accordance with the Tamil Nadu Value Added Tax Act, 2006, as are prevalent on the Effective Date, the unutilized credits, if any, relating to VAT paid on inputs/capital goods lying in the accounts of the undertakings of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the VAT/ CST payable by it.



PART III – GENERAL TERMS AND CONDITIONS

13. APPLICATION TO NCLT

13.1. The Transferor Company and the Transferee Company shall, with reasonable despatch, apply to NCLT for necessary orders or directions for holding meetings of the members, Secured Creditors and Unsecured Creditors of the Transferor Company and the Transferee Company for sanctioning this Scheme of Amalgamation under Section 230 to Section 232 of the Companies Act, 2013 or for dispensing the holding of such meetings and orders under Section 230 to Section 232 of the Companies Act, 2013, for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

14. DISSOLUTION OF TRANSFEROR COMPANY

14.1 Subject to an order being made by the NCLT under Section 230 to Section 232 of the Companies Act, 2013, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the rules made thereunder.

15. MODIFICATIONS / AMENDMENTS TO THE SCHEME

15.1 The Transferor Company and the Transferee Company through their respective Boards of Directors including Committees of Directors or other persons, duly authorised by the respective Boards in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations, which the NCLT or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without process of winding up as they may consider necessary, to settle any doubt, question or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this scheme into effect.

15.2 If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity of implementation of the other parts and/or provisions of the Scheme. If any Part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company that such Part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part or provision, as the case may be, shall cause this Scheme to become materially adverse to the Transferor Company and the Transferee Company, in which case



the Transferor Company and the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such Part or provision.

16. DATE OF TAKING EFFECT

16.1 The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by NCLT shall be effective from the Appointed Date but shall be operative from the Effective Date.

17. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to -

17.1 The Scheme being agreed to by the respective requisite majorities of the members of the Transferor Company, if meetings of Equity Shareholders of the said companies are convened by NCLT or if dispensation from conducting the meeting of the equity shareholders is obtained from NCLT, and the sanction of NCLT being accorded to the Scheme.

17.2 The sanction by NCLT under Section 230 to Section 232 of Companies Act, 2013 being obtained by the Transferor Company/ Transferee Company.

17.3 The filing with the Registrar of Companies, Coimbatore of certified copies of all necessary orders, sanctions and approvals mentioned above by the respective Companies.

18. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

18.1 In the event of the Scheme not being sanctioned by NCLT and/or the Order or orders not being passed or the Scheme not being registered under the appropriate provisions of Companies Act, 2013, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, 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. In such event, each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

19. EXPENSES CONNECTED WITH THE SCHEME

19.1 All costs, charges, levies, fees, duties and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the scheme shall be borne and paid by the Transferee Company.



SCHEDULE-A

SCHEDULE OF IMMOVEABLE PROPERTY OF TRANSFEROR COMPANY

SCHEDULE OF PROPERTY

Coimbatore Registration District, Annur Sub-Registration District, Avinashi Taluk, Annur Village, Patta No. 1805, T.S.L.R No. 028295

S.F.No.412, an extent of 12.58, kist Rs.10.19 in this punjai Acre 3.09 ½, kist Rs.2.47

In the above said Avinashi Taluk, Kariampalayam Village in Patta No. 229, 42,131,165, T.S.L.R No. 028295, 051822, 054685, 054665, 033717 & 044424.

S.F.No.206 an extent of 5.39 punjai acres

S.F.No.207/2 an extent of 0.84 punjai acres

S.F.No.208 an extent of 9.93 punjai acres, in this 7.62 ½ punjai acres

S.F.No. 209/2 an extent of 1.65 punjai acres, in this 0.83 punjai acres

Totaling both village properties is 17.78 punjai acres, one part situate as per sub division in S.F.No.412 with the following boundaries:-

North of S.F.No.412 part in Annur Village

East of 40 ft wide common pathway mentioned below

South of 40 ft wide common pathway mentioned below

West of S.F.No.412 part in Annur Village

Within this an extent of 2.44 punjai acres

In the above mentioned property totaling 17.78 punjai acres, a 40 ft common pathway measuring 2.29 ¼ punjai acres, in this 1/7th share measuring punjai acre 0.32 ¾

In total 2.76 ¾ punjai acres, wet agriculture land along with all



In this with a right to use all common pathways, tracks, cart tracks and common passages

The schedule property falls within the limits of Kariampalayam Village Panchayat.

For L.G. BALAKRISHNAN & BROS LTD


M. LAKSHMI KANTH JOSHI
General Manager cum Company Secretary
MEM NO. 14273



L.G. BALAKRISHNAN & BROS LIMITED

Certified True Copy of the Resolution passed at the meeting of the Board of Directors of the Company held on Saturday 06th May 2017 at 08.45 A.M at the Registered Office of the Company at 6/16/13, Krishnarayapuram Road, Ganapathy Post, Coimbatore – 641 006

Approval of Scheme of Amalgamation proposing the amalgamation of M/s. BCW V Tech India Private Limited the wholly owned subsidiary with M/s.L.G.Balakrishnan & Bros Limited

The Chairman informed the Board that considering the focused growth and operational efficiencies it has been proposed to amalgamate M/s. BCW V Tech India Private Limited (hereinafter referred to as Transferor Company, a wholly-owned subsidiary of the Company) with M/s. L G Balakrishnan & Bros Limited the holding Company (hereinafter referred to as "the Transferee Company"). He further explained the Board that the proposed Scheme of Amalgamation is expected to yield the following benefits:

- (i) Enable consolidation of the business of the two companies into one entity which will facilitate in focused growth, operational efficiencies, business synergies and better supervision of the business of the group.
- (ii) Pooling of resources (including manpower, management and administration and marketing resources) of the aforesaid companies resulting in, synergies of operations and optimisation of logistics, resulting in more productive utilisation of said resources, savings in cost and operational efficiencies.
- (iii) Strengthening financial position and increased leverage capacity of the merged entity
- (iv) Concentrated management focus, improved organisational capacity, integration, rationalisation and streamlining of the management structure of the merged entity, seamless implementation of policy changes at a higher level from a management perspective and shall also help enhance the efficiency and control of the entities.
- (v) Facilitating internal transfer of resources and optimum utilisation of assets
- (vi) Avoiding duplication of administrative functions, reduction in multiplicity of legal and regulatory compliances



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L.G. BALAKRISHNAN & BROS LIMITED

(2)

- (vii) Enable the creation of a platform for a new business segment and to act as a gateway for growth and expansion of business operations.

He further informed that the proposed scheme, however, does not in any way affect the interests of the shareholders or creditors of the Company since the scheme proposes the amalgamation of the wholly-owned subsidiary and hence, does not involve any exchange of shares to the shareholders of the Transferor Company.

He further stated that there would not be any change in the shareholding pattern of the Transferee Company after the proposed amalgamation.

He further informed the Board that the Audit Committee, at their meeting held on 05th May, 2017, has considered the proposed Scheme of Amalgamation and has recommended the scheme for the approval of the Board of Directors.

Accordingly, he placed before the Board the following documents for its perusal and approval;

- a. Copy of draft Scheme of Amalgamation.
- b. Copy of resolution passed by the Audit Committee at their meeting held on 05th Day May 2017 recommending the Scheme of Amalgamation.

After detailed discussion, the Board passed the following resolution:

RESOLVED THAT pursuant to the provisions of Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 and subject to the requisite approvals, sanctions and permissions of the Hon'ble National Company Law Tribunal at Chennai and subject to the approval of such other Authorities, as may be necessary in this regard and in accordance with the recommendations of the Audit Committee, the approval of the Board be and is hereby accorded for the Scheme of Amalgamation proposing the amalgamation of M/s.BCW V Tech India Private Limited (having CIN: U72200TZ2006PTC012831) the subsidiary (being Transferor Company) with M/s.L.G.Balakrishnan & Bros Limited (having CIN: L29191TZ2013PLC000257), the holding Company (being the Transferee Company).



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(3)

RESOLVED FURTHER THAT the draft Scheme of Amalgamation (hereinafter referred to as the "Scheme") proposing the amalgamation of M/s.BCW V Tech India Private Limited (having CIN: U72200TZ2006PTC012831) the subsidiary (being Transferor Company) with M/s. L G Balakrishnan & Bros Limited (having CIN: L29191TZ2013PLC000257), the holding Company (being the Transferee Company), a copy of which has been placed before the Board and initialed by the Chairman for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT Mr. B Vijayakumar (holding DIN: **00015583**), Chairman cum Managing Director Mr.P.Prabakaran (holding DIN: **01709564**), Deputy Managing Director and Mr.M.Lakshmi Kanth Joshi, General Manager & Company Secretary of the Company be and are hereby, jointly and/or severally, authorized to submit the Scheme of Amalgamation to the Stock Exchanges where the Company's shares are listed and to make such alterations and changes in the scheme as may be expedient or necessary for satisfying any requirement(s) or condition(s) imposed by the National Company Law Tribunal at Chennai or as may be stipulated by other regulatory authorities or as may otherwise be considered necessary or desirable for setting any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme.

RESOLVED FURTHER THAT Mr. B Vijayakumar (holding DIN: **00015583**), Chairman cum Managing Director Mr P Prabakaran (holding DIN: **01709564**), Deputy Managing Director and Mr M Lakshmi Kanth Joshi, General Manager & Company Secretary of the Company be and are hereby, jointly and/or severally, authorized to take all such necessary action and steps, in all matters relating to the Scheme and in implementation and with respect to all or any of the matters connected thereto with the Scheme and in particularly for:

- a. Filing necessary applications in the prescribed Form with the Hon'ble National Company Law Tribunal at Chennai seeking directions for obtaining the approval of the shareholders of the Company and/or for seeking dispensation from convening the said meetings and for approval of the creditors or dispensation of such approval.
- b. Filing necessary petitions seeking sanction for the proposed Scheme before the Hon'ble National Company Law Tribunal at Chennai in accordance with the provisions of Section 230 to 232 of the Companies Act,2013;



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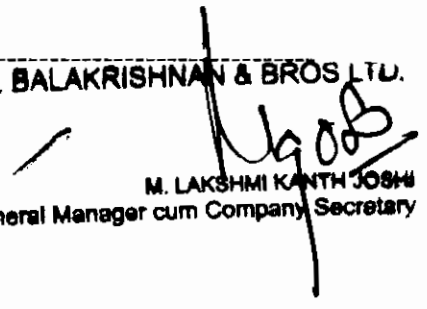
(4)

- c. For the above purpose, sign, declare and file on behalf of the Company all necessary documents including but not limited to, authorizations, Vakalatnama, "Affidavits", pleadings, reports and issue public advertisements and notices, Forms, Applications, Petitions etc;
- d. Obtaining requisite approvals from such regulatory authorities including Stock Exchanges and parties (including creditors, if any) as may be considered necessary;
- e. To liaise and co-ordinate with all authorities for obtaining necessary sanction for the Scheme;
- f. To make all necessary filing in relation to the Company including the order passed by the Hon'ble National Company Law Tribunal at Chennai, sanctioning the scheme of amalgamation
- g. To do all such acts, deeds and things as may be considered necessary and expedient in relation thereto including appointment of Advocate and other professionals; and
- h. To pay duties, charges, fees and such other taxes as may be necessary.

RESOLVED FURTHER THAT M/s. Ramani & Shankar, Advocates, Coimbatore be and are hereby appointed as counsel to appear before the National Company law Tribunal on behalf of the Company in connection with the proposed amalgamation.

RESOLVED FURTHER THAT a certified true copy of this resolution be submitted to the Hon'ble National Company Law Tribunal at Chennai or such other authorities as may be necessary in this regard.

For L.G. BALAKRISHNAN & BROS LTD.


M. LAKSHMI KANTH JOSHI
General Manager cum Company Secretary