

SCHEME OF AMALGAMATION
of
DCPL FOUNDRIES LIMITED
with
AIA ENGINEERING LIMITED

1. GENERAL, BACKGROUND AND RATIONALE FOR THE SCHEME

- 1.1 This Scheme (*as defined hereinafter*) is presented under Sections 391 to 394 and other relevant provisions of the Act (*as defined hereinafter*), for the amalgamation of DCPL (*as defined hereinafter*) with AIA (*as defined hereinafter*) and for other matters consequential, supplementary and/or otherwise integrally connected therewith.
- 1.2 DCPL is a wholly owned subsidiary of AIA. DCPL is engaged in the business of manufacture of high chrome mill internals (Castings) which finds application in cement, mining and utility industries.
- 1.3 AIA is engaged in the business of manufacturing of high chrome mill internals which are used as wear parts in the crushing/ grinding operations in the cement, mining and utility industries. Equity shares of AIA are listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited.
- 1.4 This Scheme is proposed to amalgamate DCPL with AIA. The amalgamation would, inter alia:
- (a) enable the business of DCPL to be carried on more efficiently and advantageously with better economies of scale;
 - (b) bring more productive and optimum utilization of various resources;
 - (c) achieve synergies in business activities;
 - (d) eliminate unnecessary duplication of costs; and
 - (e) improve market share of AIA.
- 1.5 This Scheme is divided into the following parts:



- (a) **Part I**, which deals with the definitions and sets out the share capital of DCPL and AIA;
- (b) **Part II**, which deals with the amalgamation of DCPL with AIA; and
- (c) **Part III**, which deals with the general terms and conditions applicable to this Scheme.

Part I

2 DEFINITIONS

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

- 2.1 “**Act**” means the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force;
- 2.2 “**Appointed Date**” means 1st April 2013;
- 2.3 “**AIA**” or “**Transferee Company**” means AIA Engineering Limited, a company incorporated under the provisions of the Act and having its registered office at 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad-382 410;
- 2.4 “**Board of Directors**” or “**Board**” in relation to the Transferor Company and/or the Transferee Company, as the case may be, means the board of directors of the respective companies and shall, unless repugnant to the context or otherwise, include a committee or any person authorised by such board of directors;
- 2.5 “**Court**” or “**High Court**” means the High Court of Gujarat at Ahmedabad. In the event that the Central Government, by a notification to this effect, constitutes a National Company Law Tribunal and the proceedings under Sections 391 to 394 of the Act pursuant to the Scheme are transferred to such Tribunal, the term “**Court**” or “**High Court**” shall be deemed to include the National Company Law Tribunal;
- 2.6 “**DCPL**” or “**Transferor Company**” means DCPL Foundries Limited, a company incorporated under the provisions of the Act and having its registered office at 115, G.V.M.M. Estate, Odhav Road, Odhav, Ahmedabad-382 410;
- 2.7 “**Effective Date**” means the last of the dates on which all the conditions and matters referred to in clause 17 of the Scheme occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to “**the coming into effect of this Scheme**” or “**this Scheme becoming effective**” shall mean the Effective Date;



- 2.8 **“Funds”** shall have the meaning assigned to it in clause 8.2 hereof;
- 2.9 **“Governmental Authority”** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body;
- 2.10 **“Input Tax Credit”** means Cenvat Credit as defined under the Cenvat Credit Rules, 2004 and any other tax credits under any indirect tax law for the time being in force;
- 2.11 **“Income Tax Act”** means the Income Tax Act, 1961, or any modification or re-enactment thereof for the time being in force or any other similar law or enactment as and when brought into force;
- 2.12 **“Scheme”** means this scheme of amalgamation, as amended or modified in accordance with the provisions hereof;
- 2.13 **“Undertaking of the Transferor Company”** means all the businesses, undertakings, properties and liabilities of the Transferor Company, of whatsoever nature and kind and wherever situated, on a going concern basis, which shall include, without limitation:
- (a) all the assets and properties (whether movable or immovable, tangible or intangible including Goodwill, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, whether or not appearing in the books of accounts) of the Transferor Company, including, without limitation sheds, godowns, warehouses, offices, plant and machineries, equipments, interests, capital work-in-progress, rolling stocks, installations, appliances, tools, accessories, freehold, leasehold and any other title, interests or right in such immovable assets, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipments, computers and all stocks;
 - (b) all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes of the Transferor Company;
 - (c) all investments (including shares, scripts, stocks, bonds, debentures, debenture stock, units of mutual funds and other securities), if any, including dividends declared or interest accrued thereon of the Transferor Company;
 - (d) all rights or benefits, benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid by



the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities;

- (e) all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company;
- (f) all licences (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on the business of the Transferor Company or in connection therewith), approvals, authorizations, permissions including municipal permissions, consents, registrations including import registrations, certifications, no objection certificates, quotas including import quotas, rights, permits including import permits, entitlements, concessions, exemptions, subsidies, tax deferrals, credits (including Cenvat Credits, sales tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever of the Transferor Company;
- (g) all agreements, contracts, arrangements, understandings, engagements, deeds and instruments including lease/license agreements, tenancy rights, equipment purchase agreements, master service agreements, and other agreements with the customers, purchase and other agreements/contracts with the supplier/ manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under of the Transferor Company;
- (h) all application monies, advance monies, earnest monies and/or security deposits paid or deemed to have been paid and payments against other entitlements of the Transferor Company;
- (i) all debts, borrowings, obligations, duties and liabilities, both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company, whether secured or



unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the Transferor Company;

- (j) all intellectual property rights (including applications for registrations of the same and the right to use such intellectual property rights), trade and service names and marks, patents, copyrights, designs, and other intellectual property rights of any nature whatsoever, trade secrets, confidential information, domain names, books, records, files, papers, engineering and process information, software licences (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information, sales and advertising materials, product registrations, dossiers, product master cards and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company; and
- (k) all staff, workmen and employees of the Transferor Company.

3 OPERATIVE DATE OF THE SCHEME

The Scheme set out herein in its present form shall be operative from the Appointed Date but shall be effective on the Effective Date.

4 SHARE CAPITAL

4.1 The share capital structure of DCPL as on 31.8.2013 was as follows:

Particulars	Amount
Authorised Share Capital:	
10,00,000 Equity Shares of Rs.10/- each.	1,00,00,000
Total	1,00,00,000
Issued, Subscribed and Paid-up Share Capital:	
10,00,000 Equity Shares of Rs.10/- each fully paid-up.	1,00,00,000
Total	1,00,00,000



DCPL is a wholly owned subsidiary of the Transferee Company.

- 4.2 The Share Capital Structure of the Transferee Company as on 31.8.2013 was as follows:

Particulars	Amount
Authorised Share Capital:	
23,00,00,000 Equity Shares of Rs.2/- each.	46,00,00,000
Total	46,00,00,000
Issued, Subscribed and Paid-up Share Capital:	
9,43,20,370 Equity Shares of Rs.2/- each fully paid-up.	18,86,40,740
Total	18,86,40,740

Part II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

The provisions of Part II of the Scheme have been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income Tax Act. If, at a later date, any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income Tax Act, including as a result of an amendment of law or the enactment of a new legislation or for any other reason whatsoever, the provisions of Section 2(1B) of the Income Tax Act, or a corresponding provision of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act. Such modification(s) will however not affect the other parts of the Scheme.

5 TRANSFER AND VESTING OF THE UNDERTAKING OF THE TRANSFEROR COMPANY

- 5.1 Upon the coming into effect of this Scheme, and with effect from the Appointed Date, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interests and authorities of the Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, encumbrances, obligations, mortgages, if any, then affecting the same or any part



