

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
CA(CAA) NO. 59/NCLT/AHM/ 2018**

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions
of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement in the nature of De-merger
between Sinewave Biomass Power Private Limited and Ambuja
Intermediates Private Limited as well as Restructure of Capital of
Sinewave Biomass Power Private Limited.

Ambuja Intermediates Private Limited.
(CIN U24231GJ1988PTC011091)

A company incorporated under the provisions of Companies
Act, 1956 and having its registered office at No. 10,11,12,13,
3rd Floor, 4D Square, Opposite I.I.T Engineering College,
Vishat-Gandhinagar Highway, Motera, Ahmedabad 380005,
in the state of Gujarat.

**...Applicant Resulting/
Transferee Company**

**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF
Ambuja Intermediates Private Limited**

To,
The Equity Shareholders of Ambuja Intermediates Private Limited.

Notice is hereby given that by an order dated 25th June 2018, the Ahmedabad Bench of the Hon'ble National Company Law Tribunal ("NCLT") has directed a meeting to be held of Equity Shareholders of the Applicant Company for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement in the nature of De-merger between Sinewave Biomass Power Private Limited and Ambuja Intermediates Private Limited as well as Restructure of Capital of Sinewave Biomass Power Private Limited, as proposed between the company and its Shareholders.

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of Equity Shareholders of the Applicant Company will be held at the registered office of the Applicant Company at its registered office at No. 10-13, 3rd Floor, 4D Square, Opposite I.I.T Engineering College, Vishat- Gandhinagar Highway, Motera, Ahmedabad 380005, in the state of Gujarat on Saturday, 4th August 2018 at 11.00 a.m., at which time and place the Equity Shareholders of the Applicant Company are requested to attend, and if thought fit, pass the Resolution approving the proposed Scheme of Arrangement.

TAKE FURTHER NOTICE that persons entitled to attend and vote at the Meeting may vote in person or through authorized representative or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Applicant Company at Motera not later than 48 hours before the scheduled time of the commencement of the Meeting of the Equity Shareholders of the Applicant Company. Forms of proxy can also be obtained from the registered office of the Applicant Company.

Copies of the Scheme of Arrangement and of the Explanatory Statement under section 230 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Applicant Company and/or at the office of the Advocate Mrs. Swati Soparkar at 301, Shivalik 10, Opp. SBI Zonal Office, Near Excise Chowky, S. M. Road, Ahmedabad 380 015, Gujarat.

NCLT has appointed Mr. Mayur Zanjrukiya, an independent Chartered Accountant and/or failing him, Mr. Harinderpal Singh Kochar, the Independent Director of the Applicant Company and/or failing him

Mr. Dinesh R. Shah, the Whole Time Director of the Applicant Company as Chairman of the said Meeting including any adjournment thereof.

The Scheme of Arrangement, if approved at the Meeting, will be subject to the subsequent approval of the NCLT.

Explanatory Statement under Section 230 read with Section 102 of the Companies Act, 2013 along with copy of the Scheme of Arrangement and other enclosures including Proxy Form and Attendance Slip are enclosed herewith.

Dated this 2nd Day of July, 2018
Place : Ahmedabad

Mayur Zanjrukiya
Chairman appointed for the Meeting

Registered Office:

No. 10-13, 3rd Floor, 4D Square,
Opp. I.I.T Engineering College,
Vishat- Gandhinagar Highway, Motera,
Ahmedabad 380005, in the state of Gujarat
CIN: U24231GJ1988PTC011091

Notes:

- 1) Only Equity Shareholders of the Applicant Company may attend (either in person or by proxy or by authorised representative) at the Meeting. The authorised representative of a body corporate which is an Equity Shareholder of the Applicant Company may attend the Meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the Meeting of the Equity Shareholders of the Applicant Company.
- 2) An Equity Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a shareholder of the Applicant Company. The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the Meeting of the Equity Shareholders of the Applicant Company. All alterations made in the Form of the Proxy should be initialed.
- 3) The quorum of the Meeting of the Equity Shareholders of the Applicant Company shall be 5(Five) of the Applicant company, present in person.
- 4) Mr. Ronak D. Doshi, Proprietor of M/s. Ronak Doshi & Associates, practicing Company secretaries is appointed as scrutinizer for the said meeting.
- 5) The Scrutinizer will submit his report to the Chairman of the Meeting after scrutinizing the voting made by Equity Shareholders through ballot or polling paper.
- 6) Relevant documents referred to in the Notice and the Explanatory Statement are open for inspection by the unsecured creditors at the Registered Office of the Applicant Company on all working days, except Saturdays and Sundays, between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting and at the Meeting during the meeting hours.

EXPLANATORY STATEMENT UNDER SECTION 230

OF THE COMPANIES ACT, 2013

1. Pursuant to an Order dated 25th June 2018 passed by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad in the CA(CAA) No.59 of 2018, meetings of the Equity Shareholders, Unsecured Creditors and Secured Creditors of Ambuja Intermediates Private Limited, the Applicant Resulting/Transferee Company are being convened. The said Scheme of Arrangement involves De-merger of an Undertaking viz. Sangli Power Business of Sinewave Biomass Power Private Limited, the De-merged/Transferor Company to Ambuja Intermediates Private Limited, the Applicant Resulting/Transferee Company as well as Restructure of Capital of Sinewave Biomass Power Private Limited.
2. The Particulars of Sinewave Biomass Power Private Limited, the De-merged/ Transferor Company are as under:
 - a. It was incorporated under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated January 20, 2004 issued by the Registrar of Companies, Pune, Maharashtra with CIN being "U40107MH2004PTC212657". The registered office of the De-merged Company was initially located in Pune and was shifted to Mumbai after passing a special resolution. This change of registered office was confirmed by an Order of the Regional Director vide SRN A80971757 dated January 7, 2011. The Certificate of Registration of the Order of Regional Director confirming transfer of the Registered Office within the same state was issued on February 4, 2011. The Corporate Identification Number is (CIN U40107MH2004PTC212657). The Permanent Account Number is AAMCS2813G.
 - b. The Registered Office of the company is situated at 133, Bhandari Street, Null Bazaar, Mumbai 400004, in the State of Maharashtra. The email address is sinewave2004@gmail.com.
 - c. The authorised, subscribed and paid-up share capital of the De-merged Company as on 31st March 2017 was as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
75,00,000 Equity Shares of Rs.10 each	7,50,00,000
Total	7,50,00,000
Issued, Subscribed and Paid-up Capital:	
66,38,000 Equity Shares of Rs.10 each	6,63,80,000
Total	6,63,80,000*

*Add Forfeited Amount of Rs.20,50,000 (*Rupees twenty lakhs fifty thousand*) in view of the full paid up amount for 4,10,000 (*Four lakh ten thousand*) forfeited equity shares. However, the company increased its Authorised Share Capital on February 1, 2018 and converted its convertible debentures into certain number of equity shares on March 22, 2018 by following the requisite procedures of law. As on date of the approval of this Scheme by the Board of Directors of Sinewave i.e. March 22, 2018, the capital structure of Sinewave stands as follows:

Particulars	(Amount in Rs)
Authorised Share Capital	
87,00,000 Equity Shares of Rs.10 each	8,70,00,000
Total	8,70,00,000
Issued, Subscribed and Paid-up Capital:	
85,20,293 Equity Shares of Rs.10 each	8,52,02,930
Total	8,52,02,930 *

*Add Forfeited Amount of Rs.20,50,000 (*Rupees twenty lakhs fifty thousand*) in view of the full paid up amount for 4,10,000 (*Four lakh ten thousand*) forfeited equity shares.

- d. The main objects of Sinewave are fully set out in the Memorandum and Articles of Association, a copy of which is available for inspection. The main objects inter alia are as under:

"1. To carry on in India or elsewhere the business to generate, co-generate electric power by conventional, non- conventional methods including agricultural waste i.e rice huck, soyahuck, bugass, coal, gas lignite, bio-mass, waste, solar, hydel, geo-hydel, wind, by-gas, oils, wind, molasses and other by-products received during the process of sugar and to using or re-sell excess power to State Electricity Boards and, Distribution and supply of electricity to and boards for Industrial, commercial, domestic, public, purposes and also to provide regular services for repairing and maintenance of all distribution and supply lines."

- e. It is inter-alia engaged in the business of generation and co-generation of electric power by conventional and non-conventional methods and its distribution and supply for industrial, commercial and domestic purposes. The company has set up a biomass power project in Sangli district of Maharashtra for generation of 10 MW power. The Company is in the process of installing another power plant in Kolhapur. As per the audited financial statements of the De-merged Company as on 31st March 2017, the total income of the Company was to the tune of Rs. 3.48 crore, and has made the net loss of Rs. 2.81 crore.

3. The particulars of Ambuja Intermediates Private Limited, the Transferee Company are as under:

- a. The company was incorporated on 10th August 1988 as a Private Limited Company under the Companies Act, 1956 in the name and style of "Ambuja Intermediate Products Private Limited" with the Registrar of Companies, Gujarat. The name of the company was subsequently changed to "Ambuja Intermediate Products Limited" vide Fresh Certificate of Incorporation consequent upon Change of Name issued by the Registrar of Companies, Gujarat on 6th September 1999. The name was further changed to "Ambuja Intermediates Limited" vide certificate dated 22nd October 1999. The Company was converted to a private limited company and certificate was issued to that effect by Registrar of Companies on 25th July 2005. It was once again converted to be a public limited company on 19th September 2011 and finally to a private limited company on 7th June 2016. Hence the current status and name of the said Company is Ambuja Intermediates Private Limited. The Corporate Identification Number is (CIN U2431GJ1988PTC011091). The Permanent Account Number is AACCA1236B.
- b. The registered office of the company is situate at No. 10,11,12,13, 3rd Floor, 4D Square, Opposite I.I.T Engineering College, Vishat- Gandhinagar Highway, Motera, Ahmedabad 380005, in the state of Gujarat. The email address is account@ambujaindia.com.
- c. The Share Capital of the Company as per the latest Balance Sheet as on 31st March 2017 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 Capital:	
1,23,25,000 Equity Shares of Rs.10 each	12,32,50,000

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

- d. The main objects of Ambuja are fully set out in the Memorandum and Articles of Association, a copy of which is available for inspection. The main objects inter alia are as under:

"1. To manufacture, produce, refine, process, formulate, buy, sell, export, import, or otherwise deal in all types of heavy and light chemicals B.D.H. chemicals, industrial chemicals, compounds, dyes, intermediates, pigments, colors, paints colors and chemicals, photographic chemicals, and acid, alkalies, inorganic and organic chemicals, cosmetics and detergent water purification salt and chemicals, petroleum products and plastic colors and chemicals of any kind, reactive Dies and any chemicals conversion from mines, Forest, tea, sea, Air Farm oil Brine, Gas and Residual substance from Any Chemicals process and

conversion in to any Marketable products, bulk drug chemicals and fine chemicals useful for industrial and consumers products.”

2. To promote, own, acquire, erect, construct, establish, maintain, improve, manage, operate, alter, generate electrical power for captive consumption and/or commercial sale by conventional, non-conventional methods including wind, tidal waves, coal, gas lignite, oil, bio-mass, waste, thermal, solar, hydel and geohydel and to carry on, control, take on hire/lease power plants, co-generation power plants, Energy conservation projects, power houses, transmission and distribution systems for generation, distribution, transmission and supply of electrical energy and buy, sell, supply, exchange, market, function as a licensee and deal in electrical power, energy on behalf of the State Electricity Board, State Government, Appropriate Authorities, licensees, specific industrial units and other consumers for industrial, commercial, agricultural, household and any other purpose in India and elsewhere in any area to be specified by the State Government, Central Government, Local Authority, State Electricity Boards and any other component authority in accordance with the provisions of Indian Electricity Act, 1910 and/or Electricity (Supply) Act, 1948 or any statutory modifications or re-enactment thereof and rules made thereunder, with effect from 19/09/2011.”

- e. Ambuja, the Transferee Company has set up units for manufacture of Dye-Intermediates. It has India's first Naphthalene based Intermediate Plant running completely on catalytic hydrogenation technology. The research and development team of the Applicant Resulting Company has developed this green technology to save the pollution output of iron sludge & organic waste. It also has India's first Dye Intermediate Plant running completely on Green Power generated by windmill and is a pioneer in developing and setting up a State of the art zero effluent discharge (ZED) plant. As per the audited balance sheet of the Applicant Company as on 31st March 2017, the total income of the Company was to the tune of Rs. 267.66 crores and the net profit was Approx. Rs. 30.21 crores.

4. Rationale of the Scheme is stated as under:

The proposed demerger of the Demerged Undertaking viz. Sangli Power Business of Sinewave into Ambuja is based on the following rationale:

- The demerger will result in increased flexibility and enhance the ability of Sinewave and Ambuja to undertake their respective projects, thereby contributing to enhancement of future business potential.
- This Scheme will enable the business comprised in the Demerged Undertaking and the Remaining Undertaking to be pursued and carried on more conveniently and advantageously with greater focus and attention through two separate companies, i.e. Sinewave and Ambuja, each having their own management team and set up. The same will facilitate the business considerations and factors applicable to the said businesses to be addressed more effectively and adequately by the respective companies.
- The transfer and vesting of the Demerged Undertaking into Ambuja, by way of demerger, would facilitate focused management attention, provide leadership vision, facilitate efficiency in operations due to individual specialization, provide greater leveraging due to financial independence and facilitate strategic/ financial investment.
- The transfer and vesting of the Demerged Undertaking along with assets and liabilities relating to the Demerged Undertaking into Ambuja will benefit Ambuja and its members since Ambuja has good financial strength to undertake this power business and enhance value for its shareholders.
- It is believed that the proposed segregation will create/ unlock value for shareholders and allow a focused strategy in operations, which would be in the best interest of Sinewave and Ambuja and their respective shareholders and all persons connected with them.

- Ambuja is already in the business of generating power using windmills. The addition of biomass based power generation plant *via* the Demerged Undertaking to its portfolio of business would help Ambuja to diversify and reduce its risk and dependence on revenues from the chemicals business.
- In the windmill segment of Ambuja, the revenues vary significantly due to change in seasons. The revenues generated from the Demerged Undertaking shall not be affected by seasonal fluctuations thus generating consistent return for Ambuja and its shareholders which would stabilize revenues from the energy segment of Ambuja and increase cash flows in the business.
- As can be seen above, Ambuja has always strived to improve the quality of life of the people and environment while working for the economic benefit of the company. The Biomass power generation supports this Green Power mantra of Ambuja as biodegradable waste is utilized thus taking care of waste management alongwith helping to generate clean power at low rates and provides additional subsistence to the rural populace.
- The Scheme is in the interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either Sinewave or Ambuja would be prejudiced as a result of the Scheme of Arrangement. The creditors of the Demerged Undertaking will be better placed with Ambuja as compared to Sinewave.

In view of the aforesaid advantages, the Board of Directors of both the companies have considered and proposed the Scheme of Arrangement under the provisions of Sections 230, 232 and other applicable provisions of the Companies Act, 2013.

5. A copy of the proposed Scheme of Arrangement is enclosed herewith as **Annexure-1**. The material provisions of the proposed Scheme of Arrangement are as under:

4. **“Definitions:**

- 4.2 **“Appointed Date”** means April 1, 2017 or such other date as the respective Tribunal may direct or fix, for the purpose of this Scheme.
- 4.4 **"Demerged Undertaking"** means the Sangli Power Business, on a going concern basis, consisting *inter alia* of:
 - 4.4.1 All the assets forming part of the Sangli Power Business as on the commencement of the Appointed Date including, as more particularly described under **Schedule 'A'** annexed hereto;
 - 4.4.2 All debts, liabilities, duties and obligations attached to and/or forming part of the Sangli Power Business as on the commencement of the Appointed Date including, as more particularly described under **Schedule 'B'** annexed hereto and comprising of:
 - 4.4.2.1 All the debts, duties, obligations and liabilities, including contingent liabilities which arise out of the activities or operations of Sinewave in relation to the Sangli Power Business and all other debts, liabilities, duties, and obligations of Sinewave relating to the Sangli Power Business which may accrue or arise on and after the Appointed Date but which related to the period up to the day immediately preceding the Appointed Date;
 - 4.4.3 Without prejudice to the generality of sub-clause 4.4.1 and 4.4.2 above, the Sangli Power Business, shall mean and include:
 - 4.4.3.1 all the assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent assets including stock, investments, claims, powers, authorities, allotments, approvals, registrations, contracts, engagements, arrangements, rights, titles, interests,

benefits, advantages, lease-hold rights, tenancy rights, permits, authorisations, quota rights, including reserves, provisions, funds, utilities, electricity, water and other service connections, books, records, files, papers, engineering and process information, computer programmes along with licenses, drawings, backup copies, websites, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form, benefits of agreements, contracts and arrangements, powers, authorities, balances with all regulatory authorities, liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts, earnest moneys/ security deposits and all other rights, claims and powers, of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Sangli Power Business, as on the commencement of the Appointed Date and all earnest money and/or deposits including security deposits paid by in relation to the Sangli Power Business as on the commencement of the Appointed Date and all other rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect tax laws, central goods and services tax, state goods and services tax and particularly Sales Tax benefits, CENVAT benefits, import and export benefits and custom duty benefits, MAT credit, tax deferrals, accumulated tax losses, unabsorbed tax depreciation of Sinewave in relation to the Sangli Power Business of Sinewave;

4.4.3.2 the entire power plant along with the plant and machineries forming part of the Sangli Power Business together with all units and components, associated equipment, buildings/structures, control systems, safety devices, interconnection facilities, buildings, step-up transformer's output breakers, electric lines, overhead transmission lines, any facility necessary to connect to the point of delivery distribution delivery points, fuel handling facility, treatment or storage facilities, water supply, grid connectivity, and all the other assets and facilities required for the efficient and economic operation of the Sangli Power Business;

4.4.3.3 any license fee with any Governmental Authority that may have been paid by Sinewave in relation to Sangli Power Business;

4.4.3.4 all intellectual property rights including trademarks, client relations (including pending client orders), brands, domain names, trade names and the goodwill associated therewith, patents rights copyrights and other industrial designs and intellectual properties and rights of any nature whatsoever including know-how assignments and grants in respect thereof of Sinewave in relation to the Sangli Power Business of Sinewave as on the Appointed Date. All applications made by Sinewave for purpose of registration of any intellectual property in relation to the Sangli Power Business of Sinewave;

4.4.3.5 all employees of Sinewave engaged in the Sangli Power Business of Sinewave; and in each case, as on the commencement of the Appointed Date and as modified and altered from time to time to the Effective Date.

4.5 "**Effective Date**" means the (a) dates on which certified copies of the order(s) of the respective Tribunals sanctioning the scheme are filed with the respective Registrar of Companies; or (b) dates on which the last of the approvals in Clause 22 of the Scheme are obtained, whichever is later.

4.7 "**Record Date**" means the date to be fixed by the Board of Directors of Sinewave, upon the Scheme coming into effect, and if required, in consultation with Ambuja, for the purpose of reckoning name of the equity shareholders of Sinewave, who shall be entitled to receive the New Shares to be issued by Ambuja and for any other purpose as provided in this Scheme.

4.8 "**Remaining Undertaking**" means all the undertakings, business activities and operations of Sinewave, other than those comprised in the Demerged Undertaking, as on the commencement of the Appointed Date and as modified and altered from time to time to the Effective Date.

- 4.11 "**Sangli Power Business**" means the power business of Sinewave engaged in biomass fuel based power generation located at Gut No. 351, 375 Village Tung, Taluka Miraj, Sangli, Maharashtra including, power plant situated at the aforesaid address generating 10MW power.

6. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

- 6.1 With effect from the Appointed Date, the Demerged Undertaking of Sinewave shall, without any further act or deed, be transferred and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in Ambuja, as a going concern in accordance with Section 2(19AA) of the Income Tax Act, 1961, pursuant to the provisions of Sections 230 to 232 read with Section 52 and 66 of the Companies Act, 2013 and other applicable provisions of the relevant Act and the provisions of this Scheme in relation to the mode of transfer and vesting of assets.
- 6.2 The assets of the Demerged Undertaking, which are moveable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and acknowledgement of possession, shall be so transferred by Sinewave and shall become the property of Ambuja without any act or deed on the part of Sinewave and Ambuja and without requiring any separate deed or instrument or conveyance for the same to the end and intent that the property and benefits therein passes to Ambuja.
- 6.3 The assets of the Demerged Undertaking on the Appointed Date shall, upon the Scheme coming into effect, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in Ambuja pursuant to the provisions of Sections 230 to 232 read with Section 52 and 66 of the Companies Act, 2013, and other applicable provisions of the relevant Act and the vesting of all such assets shall take place from the Effective Date.
- 6.4 The assets of the Demerged Undertaking, acquired by Sinewave on and from the Appointed Date up to the Effective Date, shall also without any further act, instrument or deed, stand transferred to or be deemed to have been transferred to Ambuja upon the Scheme coming into effect.
- 6.5 For avoidance of doubt, upon the Scheme coming into effect, all the rights, title, interest and claims of Sinewave in any leasehold properties in relation to the Demerged Undertaking shall, pursuant to Section 232 of the Companies Act, 2013 and other applicable provisions of relevant Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Ambuja, however the said transfer shall be subject to payment of applicable duties.
- 6.6 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all approvals, environmental approval and consents, consents, permissions (municipal and any other statutory permission), licences, certificates, clearances, membership, subscriptions, entitlements, incentives, engagements, remissions, remedies, subsidies, concession and any exemptions or waivers, authorities, powers of attorney given by, issued to or executed in favour of Sinewave, in relation to the Demerged Undertaking, shall stand transferred to Ambuja as if the same were originally given by, issued to or executed in favour of Ambuja, and Ambuja shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to Ambuja. Sinewave and Ambuja shall make applications to any Governmental Authorities or any third persons (as the case may be) as may be necessary in this behalf.
- 6.7 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, Ambuja may, at any time after the Scheme coming into effect in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (*including but not limited to deeds of adherence*), confirmations or other writings or tripartite arrangements with any party to any contract or arrangements to which Sinewave is a party or any writing as may be

necessary to be executed in order to give formal effect to the above provisions. Ambuja, shall under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Sinewave and to carry out or perform all such formalities and compliances referred to above in relation to the Demerged Undertaking being transferred by Sinewave.

- 6.8 Ambuja shall be entitled to the benefit of all insurance policies which have been issued in respect of the Demerged Undertaking and the name of Ambuja shall be substituted as "Insured" in the policies as if Ambuja was initially a party.
- 6.9 With effect from the Appointed Date, all debts, liabilities and obligations, whether recorded or not, of Sinewave relating to the Demerged Undertaking, as on the close of the business on the day immediately preceding the Appointed Date, shall become the debts liabilities, duties and obligations of Ambuja, who shall upon the Scheme coming into effect, meet, discharge and satisfy the same to the exclusion of Sinewave.
- 6.10 With effect from the Appointed Date, and subject to the provisions of this Scheme, the liabilities of the Demerged Undertaking including, but not limited to all secured and unsecured debts, sundry creditors, liabilities (including contingent liabilities) and all duties and obligations in relation to the Demerged Undertaking (including any guarantees, indemnities, letter of credit or any other instrument or arrangement which may give rise to a contingent liability in whatever form) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations, shall, pursuant to the sanction of this Scheme by the respective Tribunals and under the provisions of Sections 230 to 232 read with Section 52 and 66 and other applicable provisions, if any, of the Act, without any further act, instrument or deed or matter or thing be transferred to and vested in or be deemed to have been transferred to and vested in Ambuja, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by Ambuja to the extent they are outstanding as on the Effective Date so as to become as and from the Appointed Date, the liabilities of Ambuja on the same terms and conditions as were applicable to Sinewave, without any consent of any third party or other person who is a party to the contract or arrangements by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause. Further, any existing credit facilities which have been sanctioned to Sinewave in relation to the Demerged Undertaking by the bankers, financial institutions and any third party and which is standing as on the Appointed Date but before the Effective Date shall upon the Scheme coming into effect shall ipso facto extend to Ambuja in relation to the Demerged Undertaking.
- 6.11 Where any such debts, loans raised, liabilities, duties and obligations of Sinewave in relation to the Demerged Undertaking as on the Appointed Date have been discharged or satisfied by Sinewave after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of Ambuja.
- 6.12 With effect from the Appointed Date, all guarantees, indemnities and contingent liabilities of Sinewave in relation to the Demerged Undertaking shall also, without any further act or deed, be transferred to or be deemed to be transferred to Ambuja so as to become as and from the Appointed Date, the guarantees, indemnities and contingent liabilities of Ambuja 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 guarantees, indemnities and contingent liabilities have arisen or given, in order to give effect to the provisions of this Clause.
- 6.13 The transfer and vesting of the Demerged Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Demerged Undertaking, provided however, any reference in any security documents or arrangements, to which Sinewave is a party, wherein the assets of the Demerged Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Demerged Undertaking as are vested in Ambuja by virtue of this Scheme, to the end and intent that such security, charges,

hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of Sinewave or any of the assets of Ambuja, provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Ambuja shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages to the end and intent that such securities, charges, hypothecation and mortgages shall not extend or be deemed to extend, to any of other assets of the Demerged Undertaking vested in Ambuja. Notwithstanding anything contrary provided in this Scheme, it is clarified that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Sinewave in relation to the Demerged Undertaking which shall vest in Ambuja by virtue of the vesting of the Demerged Undertaking with Ambuja and Ambuja shall not be obliged to create any further or additional security therefore after the demerger has become operative.

- 6.14 All the loans, advances, credits, overdraft and other facilities sanctioned to Sinewave in relation to the Demerged Undertaking by its bankers, financial institutions and any third party as on the Appointed Date, whether utilised, partly drawn or unutilised shall be deemed to be the loans and advances sanctioned to Ambuja and the said loans, advances and other facilities can be drawn and utilised either partly or fully by Sinewave from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by Sinewave in relation to the Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to Ambuja and all the obligations of Sinewave in relation to the Demerged Undertaking under any loan agreement shall be construed and shall become the obligation of Ambuja without any further act or deed on the part of Ambuja.
- 6.15 All existing and future incentives, benefits, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, un-availed credits and exemptions and other statutory benefits, including in respect of Income Tax, Excise (including CENVAT), Customs, Central Goods and Services Tax, State Goods and Services Tax, VAT, Sales Tax, Service Tax etc. to which Sinewave is entitled in relation to the Demerged Undertaking in terms of the various statutes / schemes / policies, etc. of Union and State Governments shall be available to and vest in Ambuja upon this Scheme becoming effective.
- 6.16 Upon the coming into effect of this Scheme and as per the provisions of Section 72A(4) and other applicable provisions of the Income Tax Act, 1961, all accumulated tax losses and unabsorbed depreciation of Sinewave as pertaining to the Demerged Undertaking shall be transferred to Ambuja.
- 6.17 All taxes, including, income-tax, tax on book profits, service tax, value added tax, goods and service tax etc. paid or payable by Sinewave in respect of the operations and/ or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of Sinewave and, in so far as it relates to the tax payment (including, without limitation, income-tax, tax on book profits, value added tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by Sinewave in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by Ambuja and shall, in all proceedings, be dealt with accordingly. Upon the Scheme becoming effective, pursuant to the provisions of this Scheme, Sinewave is expressly permitted to revise their returns and Ambuja is expressly permitted to file its income tax return including tax deducted at source certificates, sales tax/value added tax returns, excise returns, service tax returns, goods and service tax returns and other tax returns and to claim refunds/credits. Further, Sinewave and Ambuja shall have the right to revise their respective financial statements, returns and related withholding tax certificates (including withholding tax certificates relating to transactions between Sinewave and Ambuja) along with prescribed forms, filings and annexures under the Income-tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including minimum alternate tax, taxes deducted at source, wealth tax, etc.) and for matters incidental thereto, if required.

- 6.18 Any refund, under the Income-tax Act, 1961, Integrated Goods and Services Tax, Central Goods and Services Tax, State Goods and Services Tax, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Sinewave in relation to the Demerged Undertaking consequent to the assessment made on Sinewave (including any refund for which no credit is taken in the accounts of Sinewave) as on the date immediately preceding the Appointed Date shall also belong to and be received by Ambuja, upon this Scheme becoming effective.
- 6.19 Any tax liabilities under the Income-tax Act, 1961, Integrated Goods and Services Tax, Central Goods and Services Tax, State Goods and Services Tax, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/ duties/ levies of Sinewave in relation to the Demerged Undertaking to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Ambuja.
- 6.20 All intangible assets (including but not limited to goodwill) belonging to but not recorded in the books of account of Sinewave and all intangible assets (including but not limited to goodwill) arising or recorded in the process of the demerger, if any, in books of account of Ambuja shall, for all purposes, be regarded as an intangible asset in terms of Explanation 3(b) to Section 32(1) of the Income Tax Act, 1961 and Ambuja shall be eligible for depreciation there under at the prescribed rates.
- 6.21 All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Sinewave pertaining to the Demerged Undertaking after the Effective Date shall be accepted by the bankers of Ambuja and credited to the account of Ambuja, if presented by Ambuja. Similarly, the banker of Ambuja shall honour all cheques issued by Sinewave pertaining to the Demerged Undertaking for payment after the Effective Date. If required, Sinewave shall allow maintaining of bank accounts in the name of Sinewave by Ambuja for such time as may be determined to be necessary by Sinewave and Ambuja for presentation and deposition of cheques and pay orders that have been issued in the name of Sinewave in connection with the Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against Sinewave in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Sinewave pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued, by or against, Sinewave after the coming into effect of the Scheme.
- 6.22 Pursuant to the order of the respective Tribunals, Ambuja shall file the relevant notifications and communications in relation to assignment, transfer, cancellation, modification, or encumbrance of any license/ certificate and any other registration including but not limited to Central Goods and Services Tax, State Goods and Services Tax, Integrated Goods and Service Tax, VAT, CST, Excise, Service Tax, Income Tax, IEC Code, ESI, Company Registration Number, PF, etc. if any, for the record of the appropriate authorities, which shall take them on record.

7. CANCELLATION OF LOANS AND ADVANCES

- 7.1 Upon the Scheme coming into effect, all the loans and advances or any kind of debts made by Ambuja in Sinewave shall, without any further act or deed, get cancelled at their respective face value.
- 7.2 Upon the Scheme coming into effect, any instrument issued by Sinewave in favour of Ambuja in relation to any outstanding loans and advances and/or any kind of debts, as set out in Clause 7.1, shall also, without any further act or deed, get cancelled.
- 7.3 The obligations in respect of the aforesaid loans, advances or any kind of debts shall come to an end and a corresponding suitable effect shall be given in the books of accounts and records of Ambuja and Sinewave. If required, reduction/cancellation of such loans and advances or any kind of debts shall be reflected in the books of accounts and records of

Ambuja and Sinewave.

8. ISSUE OF NEW SHARES

- 8.1 Upon the Scheme coming into effect, in consideration of the demerger of the Demerged Undertaking into Ambuja pursuant to provisions of this Scheme, and without any further application, act, deed payment, consent, acts, instrument or deed, Ambuja will issue and allot 1054 fully paid-up equity shares of Rs.10 each (the "**New Shares**") to shareholders of Sinewave in accordance with the terms of the Scheme. The New Equity Shares will be issued by Ambuja to such equity shareholders of Sinewave whose names are recorded in the register of members of Sinewave as on the Record Date in the ratio of 1: 8000, i.e. 1 (One) equity share of Rs.10 each credited as fully paid up in Ambuja for every 8000 (Eight thousand) equity shares of Rs.10 each fully paid up held by them in Sinewave.
- 8.2 No equity shares shall be issued and allotted in respect of fractional entitlements, if any, by Ambuja to which the equity members of Sinewave may be entitled on issue and allotment of shares as aforesaid in Clause 8.1. The Board of Directors of Ambuja shall, instead consolidate all such fractional entitlements and thereupon distribute/transfer equity shares in lieu thereof to a director or an officer of Ambuja or such other person as the Board of Directors of Ambuja shall appoint in this behalf who shall hold the shares in trust on behalf of the members of Sinewave entitled to fractional entitlements with the express understanding that such director(s) or officer(s) or person(s) shall sell the same to any third party (including, any existing shareholder of Sinewave) at such time or times and at such price or prices in the market which shall not be less than the price determined by the valuer in its valuation report for purpose of determining share exchange ratio as set out in Clause 8.1 above, and pay to Ambuja, the net sale proceeds thereof, whereupon Ambuja shall distribute such net sale proceeds, subject to tax deductions as applicable, to the members of Sinewave (to their last known addresses as per the records of Sinewave) in proportion to their respective fractional entitlements.
- 8.3 The New Shares, to be issued and allotted by Ambuja, in terms of this Scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of Ambuja. The New Shares, to be issued and allotted, shall rank *pari-passu* in all respects with the existing shares of Ambuja, including in respect of dividends, if any, that may be declared by Ambuja, on or after the Effective Date.
- 8.4 The issue and allotment of the New Shares in Ambuja to the shareholders of Sinewave as provided in the Scheme shall be carried out and the same would not require following of the procedure laid down under Sections 42 and 62 of the Companies Act, 2013 and any other applicable provisions of the relevant Act.

9. RE-ORGANISATION OF SHARE CAPITAL OF SINEWAVE

- 9.1 Sinewave has accumulated losses disclosed in the books of accounts due to various factors. It is proposed to write off accumulated losses of Sinewave as on March 31, 2017 and excess of assets transferred over liabilities pursuant to this Scheme as reflected in debit balance of Profit and Loss Account against Capital Reserve Account, Securities Premium Account and Share Capital of Sinewave in the manner as set out in this Clause..
- 9.2 Upon the Scheme coming into effect, the partly paid up shares forfeited by Sinewave being, 4,10,000 (four lakh ten thousand) equity shares of Rs.10/- each shall be cancelled under this Scheme and the amount of Rs.20,50,000/- (Rupees twenty lakhs fifty thousand), being the amount paid up on such shares shall, without any act or deed, be transferred to its Capital Reserve Account and consequently, the issued, subscribed and paid-up equity share capital of Sinewave shall stand, without any act or deed, reduced to such extent. Sinewave undertakes to comply with all necessary legal requirements to effect the aforesaid cancellation, transfer and reduction. The cancellation, transfer and reduction in relation to forfeiture as set out above shall be effected as an integral part of the Scheme itself.

- 9.3 Upon the Scheme coming into effect, the issued, subscribed and paid up equity share capital of Sinewave shall be reduced by reducing the face value of the equity shares from 1 (one) equity share of Rs.10/- each fully paid up to 1 (One) equity share of Re.1 (One) each fully paid. As a result, the issued, subscribed and paid up share capital of Sinewave shall reduce from the present sum of Rs.8,52,02,930/- (Rupees eight crores fifty two lakhs two thousand nine hundred and thirty only) comprising of 85,20,293 equity shares of Rs.10 each (for clarity this does not include equity share capital not fully paid and which has been forfeited) to Rs.85,20,293/- (Rupees eighty five lakhs twenty thousand two hundred and ninety three) comprising of 85,20,293 equity shares of Re. 1 each without any further act or deed.
- 9.4 The share certificates of Sinewave in relation to the equity shares held by its members shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled pursuant to this Scheme and new share certificates (after taking into effect the reduction of share capital as mentioned in Clause 9.1 above) will be issued to the members of Sinewave. For avoidance of confusion, Sinewave will, on the Record Date, issue new share certificates fully paid-up (after taking into effect the reduction of share capital as mentioned in Clause 9.1 above) on each such new share certificate and shall be delivered to its members on the Record Date on their last known address as per the records of Sinewave along with the notice to its members requesting them to surrender the old share certificates. Notwithstanding anything to the contrary, upon the issue of new share certificates in Sinewave to the members, the old share certificates held by them in Sinewave shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date.
- 9.5 Sinewave has credit balance in the Securities Premium Account amounting to Rs.26,60,48,280/- (Rupees twenty six crores sixty lakhs forty eight thousand two hundred and eighty) in its books of account as on 31st March, 2018.
- 9.6 Upon the Scheme coming into effect, balance arising out of reduction of issued, subscribed and paid-up share capital of an amount of Rs.7,66,82,637/- (Rupees seven crores sixty six lakhs eighty two thousand six hundred and thirty seven) (as referred in Clause 0 above); balance in the Capital Reserve Account of Rs.10,95,50,000/- (Rupees ten crores ninety five lakhs fifty thousand) (which also includes forfeited amount as set out in Clause 0) and balance in the Securities Premium Account of Rs.26,60,48,280/- (Rupees twenty six crores sixty lakhs forty eight thousand two hundred and eighty) shall deem to get adjusted against debit balance in Profit and Loss Account of Sinewave without any act or deed.
- 9.7 The reduction in the issued, subscribed and paid-up share capital, Forfeited Amount, Securities Premium Account and Capital Reserve Account as above, shall be effected as an integral part of the Scheme itself and shall be deemed to be in accordance with the provisions of Sections 52 and 66 of the Act and the Order of this Tribunal, as the case may be, shall be deemed to be an order under Section 66 of the Act for the purpose of confirming the reduction. Sinewave shall not be obliged/ required to separately call for the meeting of its members/creditors for obtaining their approval for the reduction. The reduction does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital under the provisions of the Section 66 of the Act.
- 9.8 Notwithstanding the reduction as mentioned above, Sinewave shall not be required to add "and reduced" as suffix and shall continue in its existing name.

10. REMAINING UNDERTAKING

- 10.1 The Remaining Undertaking shall continue with Sinewave.
- 10.2 The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to, be vested in and be managed by Sinewave.
- 10.3 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against Sinewave under any statute,

whether pending as on the Appointed Date or which may be instituted at any time thereafter, and in each case, relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Remaining Undertaking), shall be continued and enforced by or against Sinewave after the Effective Date.

- 10.4 With effect from the Appointed Date and up to and including the Effective Date:
- 10.5 Sinewave shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf; and
- 10.6 all profits accruing to Sinewave thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of Sinewave.

11. ACCOUNTING TREATMENT IN BOOKS OF AMBUJA

- 11.1 Upon the Scheme coming into effect-
 - 11.1.1 Ambuja shall record all the assets and liabilities (including, contingent liabilities on account of any dispute, claims whether contested by Sinewave or not) pertaining to the Demerged Undertaking transferred to and vested in Ambuja pursuant to this Scheme, at book value as appearing in the books of Sinewave on the close of business on March 31, 2017.
 - 11.1.2 The excess of assets over liabilities or deficit, if any, remaining after recording the entries as referred to in the aforesaid Clause 11.1.1 over the face value of the New Shares allotted in accordance with the Clause 8.1 of the Scheme shall be considered as capital reserve or goodwill, as the case may be.
 - 11.1.3 Ambuja shall credit its Share Capital Account in its books of account with the aggregate face value of the New Shares issued to the shareholders of Sinewave pursuant to Clause 8.1 of this Scheme.
 - 11.1.4 Ambuja shall record the cancellation of loans and advances made by it to Sinewave in its books of account.
 - 11.1.5 Ambuja shall pass such accounting entries which are necessary in connection with the Scheme to comply with applicable accounting standards.

12. ACCOUNTING TREATMENT IN BOOKS OF SINEWAVE

- 12.1 Upon the Scheme coming into effect –
 - 12.1.1 Sinewave shall reduce from its books, the book value of assets and liabilities transferred part of the Demerged Undertaking to Ambuja, pursuant to the Scheme. Sinewave's books of accounts shall reflect the assets and liabilities of the Remaining Undertaking, after vesting of the Demerged Undertaking at book values unto Ambuja.
 - 12.1.2 The difference between the excess of book value of assets over the book value of liabilities pertaining to the Demerged Undertaking shall be adjusted to the Debit balance in Profit and Loss Account.
 - 12.1.3 Sinewave shall record reduction of Share Capital, Forfeited Amount, Securities Premium Account and Capital Reserve Account and write off against losses of Sinewave as on March 31, 2017 in the manner as set out in Clause 9.
 - 12.1.4 Sinewave shall pass such accounting entries which are necessary in connection with the Scheme to comply with applicable accounting standards.

15. LEGAL PROCEEDINGS

- 15.1 If any legal, taxation or other proceedings of whatever nature, whether civil or criminal (*including, before any statutory or quasi-judicial authority or tribunal*) (the "**Proceedings**") by or against Sinewave in relation to the Demerged Undertaking is pending/ arising at the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Demerged Undertaking or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against Ambuja, in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against Sinewave as if the Scheme had not been made. On and from the Effective Date, Ambuja, as the case may be, shall and may initiate any legal proceedings for and on behalf of the Demerged Undertaking.
- 15.2 It is clarified that after the Appointed Date, in case the Proceedings referred above with respect to the Demerged Undertaking of Sinewave, cannot be transferred for any reason, Sinewave shall prosecute or defend the same at the cost of and in consultation with Ambuja, and Ambuja shall reimburse, indemnify and hold harmless Sinewave against all liabilities and obligations incurred by Sinewave in respect thereof.
- 15.3 In the event that the Proceedings referred to above, require Sinewave and Ambuja to be jointly treated as parties thereto, Ambuja shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with Sinewave.
- 15.4 Pending the sanction of the Scheme, Sinewave in relation to the Demerged Undertaking shall, in consultation with Ambuja, continue to prosecute, enforce or defend, the proceedings, whether pending or initiated pending the sanction of the Scheme.

The features set out above being only the salient features of the Scheme; the authorities are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

6. (i) The share Exchange Ratio for the proposed Scheme of Arrangement has been worked out on the basis of Valuation Report dated 22nd March 2018 provided by M/S M/s C N K & ASSOCIATES LLP, Chartered Accountants.. A copy of the same is enclosed as **Annexure- 2**. As envisaged under clause-8 of the Scheme, Transferee Company shall issue and allot Ambuja will issue and allot 1054 fully paid-up equity shares of Rs.10 each (the "**New Shares**") to shareholders of Sinewave in accordance with the terms of the Scheme. The New Equity Shares will be issued by Ambuja to such equity shareholders of Sinewave whose names are recorded in the register of members of Sinewave as on the Record Date in the ratio of 1: 8000, i.e. 1 (One) equity share of Rs.10 each credited as fully paid up in Ambuja for every 8000 (Eight thousand) equity shares of Rs.10 each fully paid up held by them in Sinewave.
- (ii) No compromise or arrangement is proposed with the unsecured creditors of these companies. All the liabilities of the De-merged Undertaking of the Transferor Company shall vest in the Transferee Company. The Transferee Company has undertaken to meet with all of them in the regular course of business without any sacrifice or compromise. No liabilities of these companies are being reduced or extinguished.

- (iii) No rights of the employees of the De-merged Undertaking of the Transferor Company are being affected. The services of the employees of the said undertaking of the Transferor Company shall continue on the same terms and conditions on which they are engaged by the Transferor Company.
- (iv) There is no effect of the Scheme on the Key Managerial Personnel or Directors of the Transferee Company.
7. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the Statutory Auditors are open for inspection.
8. The Directors, the Key Managerial Personnel and their relatives (as defined under the Act and the rules) of the Transferee Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the company, or to the extent the said directors are the partners, directors, members of the company, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in the company. Save as aforesaid, none of the Directors the Key Managerial Personnel and their relatives of the Company have any material interest in the proposed Scheme. Their interest in the company shall not be treated in any differential manner than the other shareholders and/or creditors. The shareholding (singly or jointly) of Directors of the Transferee Company and De-merged Company in AIPL, the Transferee Company, as on the date of explanatory statement, is as under:-

Name of Directors of AIPL	No of Shares	Amount in Rs.	%
DINESHKUMAR RAMANLAL SHAH	371,200	3,712,000	3.01
NARESHKUMAR JIVRAJ SHAH	308,850	3,088,500	2.51
MAHENDRA MOHANLAL PATEL	342,490	3,424,900	2.78
Name of Directors of Sinewave			
Gambhirmal R Shah	441960	44,19,600	3.58
Lalit T. Shah	239975	23,99,750	1.94

9. None of the above directors of the company have given any loan to the company.
10. No investigation proceedings are pending or are likely to be pending under sections 210 to 229 of the Companies Act, 2013 and /or Sections 235 to 251 and the like of the Companies Act, 1956 in respect of the Applicant Company.
11. To the knowledge of the companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of Companies Act, 2013.
12. The copy of the proposed Scheme has been filed by the Company before the Registrar of Companies, Gujarat.
13. The Scheme of Arrangement are to be approved by the Shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company at the meetings and as per the requirements of Section 232 of the Act, both the companies will seek the sanction of the respective jurisdictional National Company Law Tribunals.
14. As per the books of Accounts of Ambuja, (as at 15th April, 2018) the amount due to Secured Creditors is Rs. 7,257.978 lacs and to unsecured creditors is Rs. 3521.16 lacs respectively. As per the books of Accounts of Sinewave (Transferor Company) (as at 31st December 2017) the amount due to Secured Creditors is Rs. Nil and to unsecured creditors is Rs. 40.56 lacs respectively.
15. In the event of any of the said sanctions and approvals referred to in the Scheme not being obtained and/ or the Scheme not being sanctioned by the National Company Law Tribunal,

Bench at Ahmedabad/ Mumbai or such other competent authority, this Scheme shall stand revoked, cancelled and be of no effect, 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.

16. Inspection of the following documents may be had by the concerned parties of the Applicant Company at the registered office up to one day prior to the date of the meeting during working hours of the office, between (11.00 a.m. to 5.00 p.m.) except on Sundays and Public holidays:
- (a) Copies of the Order dated 25th June 2018 passed by the National Company Law Tribunal, Bench at Ahmedabad in CA(CAA) 59/NCLT/ AHM/2018 directing to convene separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Transferee Company.
 - (b) Copy of C A (CAA) 59/NCLT/ AHM/2018
 - (c) Scheme of Arrangement.
 - (d) Memorandum and Articles of Association of both the Companies.
 - (e) The Audited Financial Statements of both the Companies for the financial year ended March 31, 2017 as well as unaudited provisional financial statements as at 31st December 2017.
 - (f) Copy of the Valuation Report issued M/S CNK & Associates, LLP, Chartered Accountants.
 - (g) Copy of the Statutory Auditor's certificate confirming compliance with the Accounting Standards
 - (h) Copies of Board Resolutions
 - (i) Copies of the Reports by Board with regard to effect of the Scheme
 - (j) Copy of the Receipt confirming the filing of the Scheme with Registrar of Companies.

This statement may be treated as an Explanatory Statement under Section 230 (3), 232 (1) and (2) and 102 of the Companies Act, 2013. A copy of the Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained from the Registered Office of the Applicant Companies and/or at the office of the Advocates Mrs. Swati Soparkar, 301, Shivalik-10, Opp. SBI Zonal Office, Near Old Excise Chowky, S.M. Road, Ambavadi, Ahmedabad – 380 015.

Mayur Zanjrukiya
Chairman appointed for the Meeting

Dated: 2nd day of July, 2018

Registered office:
Ambuja Intermediates Pvt. Ltd.
10-13, 3rd floor, 4D Square
Opp: I.I.T. Engineering College,
Vishat-Gandhinagar Highway,
Motera, Ahmedabad-380005
Gujarat

SCHEME OF ARRANGEMENT (DEMERGER)
BETWEEN
SINEWAVE BIOMASS POWER PRIVATE LIMITED
AND
AMBUJA INTERMEDIATES PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

This Scheme of Arrangement (Demerger) is presented under Sections 230 to 232 read with Sections 52 and 66 and other applicable provisions of the Companies Act, 2013 for demerger of Sangli Power Business (as defined hereinafter) of Sinewave Biomass Power Private Limited ("**Sinewave**" or "**Demerged Company**") into Ambuja Intermediates Private Limited ("**Ambuja**" or "**Resulting Company**"). This Scheme also provides for various other matters consequential and otherwise integrally connected therewith.

The Scheme is divided into the following parts:

1. **Part I** deals with the Introduction, Rationale and Operation of the Scheme;
2. **Part II** deals with the Definitions and Share Capital;
3. **Part III** deals with demerger of the Demerged Undertaking of Sinewave into Ambuja;
4. **Part IV** deals with the re-organisation of share capital of Sinewave;
5. **Part V** deals with the Accounting Treatment;
6. **Part VI** deals with the General Clauses;
7. **Part VII** deals with the General Terms and Conditions.

PART I
INTRODUCTION, RATIONALE AND OPERATION OF THE SCHEME

1. INTRODUCTION

1.1. SINEWAVE BIOMASS POWER PRIVATE LIMITED

- 1.1.1. Sinewave is a private limited company incorporated under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated January 20, 2004 issued by the Registrar of Companies, Pune, Maharashtra.
- 1.1.2. The registered office of Sinewave was initially located in Pune. The members of Sinewave shifted the registered office of the company from Pune to Mumbai after passing a special resolution. This change of registered office was confirmed by an Order of the Regional Director vide SRN A80971757 dated January 7, 2011. The Certificate of Registration of the Order of Regional Director confirming transfer of the registered office within the same state was issued on February 4, 2011.
- 1.1.3. The main object of Sinewave as set out in its Memorandum of Association are reproduced below for ease of reference:

"1. To carry on in India or elsewhere the business to generate, co-generate electric power by conventional, non-conventional methods including agricultural waste i.e. rice huck, soyahuck, bugass, coal, gas lignite, bio-mass, waste, solar, hydel, geo-hydel, wind, by-gas, oils, wind, molasses and other by-products received during the process of sugar and to using or re-sell excess power to State Electricity Boards and, Distribution and supply of electricity to and boards for Industrial, commercial, domestic, public, purposes and also to provide regular services for repairing and maintenance of all distribution and supply lines."

1.1.4. Sinewave is *inter-alia* engaged in the business of generation and co-generation of electric power by conventional and non-conventional methods and its distribution and supply for industrial, commercial and domestic purposes. The company has set up a biomass power project in Sangli district of Maharashtra for generation of 10 MW power. The Company is also in the process of installing another power plant in Kolhapur.

1.1.5. The shares of Sinewave are not listed on any stock exchange.

1.2. AMBUJA INTERMEDIATES PRIVATE LIMITED

1.2.1. Ambuja is a private limited company which was originally incorporated under the provisions of Companies Act, 1956 under the name of "*Ambuja Intermediate Products Private Limited*" vide Certificate of Incorporation dated 10th August, 1988 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.

1.2.2. The members of the company changed the legal status of the company from private limited to public limited by passing a special resolution on July 31, 1999 in its meeting held on July 31, 1999. The Asstt. Registrar of Companies, Gujarat, Dadra & Nagar Haveli gave effect to this change by issuing a Fresh Certificate of Incorporation dated September 6, 1999, whereby the status and the name was changed from "*Ambuja Intermediate Products Private Limited*" to name "*Ambuja Intermediate Products Limited*".

1.2.3. The members of the company further changed the name of the company from "*Ambuja Intermediate Products Limited*" to "*Ambuja Intermediate Limited*" by passing the necessary resolutions on October 18, 1999 which was affirmed by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli by issuing a fresh Certificate of Incorporation on October 22, 1999.

1.2.4. The status of the company was converted from public limited to private limited by the members by passing necessary resolutions on June 25, 2005 which got the confirmation of Registrar of Companies, Gujarat, Dadra & Nagar Haveli vide a fresh Certificate of Incorporation on Conversion dated July 25, 2005. On September 19, 2011, the Registrar of Companies, Gujarat, Dadra & Nagar Haveli issued a Fresh Certificate of Incorporation Consequent upon Change of Name on conversion to Public Limited Company, whereby the company status of the company was again converted into a public company.

1.2.5. The company acquired its present status i.e. "*Ambuja Intermediate Private Limited*" vide a fresh Certificate of Incorporation Consequent upon conversion to Private Limited Company dated June 7, 2016 issued by Registrar of Companies, Ahmedabad.

1.2.6. The main objects of Ambuja as set out in its Memorandum of Association are reproduced below for ease of reference:

"1. To manufacture, produce, refine, process, formulate, buy, sell, export, import, or otherwise deal in all types of heavy and light chemicals B.D.H. chemicals, industrial chemicals, compounds, dyes, intermediates, pigments, colors, paints colors and chemicals, photographic chemicals, and acid, alkalies, inorganic and organic chemicals, cosmetics and detergent water purification salt and chemicals, petroleum products and plastic colors and chemicals of any kind, reactive Dies and any chemicals conversion from mines, Forest, tea, sea, Air Farm oil Brine, Gas and Residual substance from Any Chemicals process and conversion in to any Marketable products, bulk drug chemicals and fine chemicals useful for industrial and consumers products.

2. To promote, own, acquire, erect, construct, establish, maintain, improve, manage, operate, alter, generate electrical power for captive consumption and/or commercial sale by conventional, non-conventional methods including wind, tidal waves, coal, gas lignite, oil, bio-mass, waste, thermal, solar, hydel and geohydel and to carry on, control, take on hire/lease power plants, co-generation power plants, Energy conservation projects, power houses, transmission and distribution systems for generation, distribution, transmission and supply of electrical energy and buy, sell, supply, exchange, market, function as a licensee and deal in electrical power, energy on behalf of the State Electricity Board, State Government,

Appropriate Authorities, licensees, specific industrial units and other consumers for industrial, commercial, agricultural, household and any other purpose in India and elsewhere in any area to be specified by the State Government, Central Government, Local Authority, State Electricity Boards and any other component authority in accordance with the provisions of Indian Electricity Act, 1910 and/or Electricity (Supply) Act, 1948 or any statutory modifications or reenactment thereof and rules made thereunder. Wef 19/09/2011."

- 1.2.7. Ambuja has set up units for manufacture of Dye-Intermediates. Ambuja has also ventured into agro extracts industry by setting up India's second unit of cold press castor oil and its derivative.
- 1.2.8. Ambuja is India's first naphthalene based intermediate plant running 100% on catalytic hydrogenation technology. The research and development team of Ambuja has developed this green technology to save the pollution output of iron sludge & organic waste.
- 1.2.9. Ambuja has India's first dye intermediate plant running 100% on green power generated by windmill and is a pioneer in developing and setting up a state of the art zero effluent discharge ("**ZED**") plant. The State Pollution Control Board has appreciated Ambuja's state of the art pollution treatment plant and has directed all other industry competitors to adopt their ZED system for production.
- 1.2.10. The shares of Ambuja are not listed on any stock exchange.

2. RATIONALE FOR ARRANGEMENT

- 2.1. The demerger of the Demerged Undertaking (*as defined hereinafter*) from Sinewave into Ambuja is based on the following rationale:
 - 2.1.1. The demerger will result in increased flexibility and enhance the ability of Sinewave and Ambuja to undertake their respective projects, thereby contributing to enhancement of future business potential.
 - 2.1.2. This Scheme will enable the business comprised in the Demerged Undertaking and the Remaining Undertaking to be pursued and carried on more conveniently and advantageously with greater focus and attention through two separate companies, i.e. Sinewave and Ambuja, each having their own management team and set up. The same will facilitate the business considerations and factors applicable to the said businesses to be addressed more effectively and adequately by the respective companies.
 - 2.1.3. The transfer and vesting of the Demerged Undertaking into Ambuja, by way of demerger, would facilitate focused management attention, provide leadership vision, facilitate efficiency in operations due to individual specialization, provide greater leveraging due to financial independence and facilitate strategic/ financial investment.
 - 2.1.4. The transfer and vesting of the Demerged Undertaking along with assets and liabilities relating to the Demerged Undertaking into Ambuja will benefit Ambuja and its members since Ambuja has good financial strength to undertake this power business and enhance value for its shareholders.
 - 2.1.5. It is believed that the proposed segregation will create/ unlock value for shareholders and allow a focused strategy in operations, which would be in the best interest of Sinewave and Ambuja and their respective shareholders and all persons connected with them.
 - 2.1.6. Ambuja is already in the business of generating power using windmills. The addition of biomass based power generation plant *via* the Demerged Undertaking to its portfolio of business would help Ambuja to diversify and reduce its risk and dependence on revenues from the chemicals business.
 - 2.1.7. In the windmill segment of Ambuja, the revenues vary significantly due to change in seasons. The revenues generated from the Demerged Undertaking shall not be affected by seasonal

fluctuations thus generating consistent return for Ambuja and its shareholders which would stabilize revenues from the energy segment of Ambuja and increase cash flows in the business.

- 2.1.8. As can be seen above, Ambuja has always strived to improve the quality of life of the people and environment while working for the economic benefit of the company. The Biomass power generation supports this Green Power mantra of Ambuja as biodegradable waste is utilized thus taking care of waste management alongwith helping to generate clean power at low rates and provides additional subsistence to the rural populace.
- 2.1.9. The Scheme is in the interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either Sinewave or Ambuja would be prejudiced as a result of the Scheme of Arrangement. The creditors of the Demerged Undertaking will be better placed with Ambuja as compared to Sinewave.

3. OPERATION OF THE SCHEME

3.1. This Scheme of Arrangement (Demerger) is presented under Sections 230 to 232 read with Section 52 and 66 of the Companies Act, 2013, and other applicable provisions of the relevant Act (*as defined hereinafter*) provides for:

- 3.1.1. demerger, transfer and vesting of the Demerged Undertaking from Sinewave on a going concern basis into Ambuja;
- 3.1.2. re-organisation of share capital of Sinewave;
- 3.1.3. continuance of interest in the Remaining Undertaking (as defined hereinafter) by Sinewave; and
- 3.1.4. various other matters consequential or otherwise integrally connected herewith.

PART II DEFINITIONS AND SHARE CAPITAL

4. DEFINITIONS

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

- 4.1. "**Act**" means the Companies Act, 2013, along with rules and regulations issued thereunder, including, any statutory modifications, re-enactments or amendments made thereto from time to time.
- 4.2. "**Appointed Date**" means 1st day of April, 2017 or such other date as the respective Tribunal may direct or fix, for the purpose of this Scheme.
- 4.3. "**Demerged Company**" or "**Sinewave**" means Sinewave Biomass Power Private Limited incorporated under the provisions of the Companies Act, 1956 and having its registered office at 133, Bhandari Street, Null Bazaar, Mumbai 400004, Maharashtra, India bearing Corporate Identification No. U40107MH2004PTC212657. The Permanent Account Number of Sinewave is AAMCS2813G.
- 4.4. "**Demerged Undertaking**" means the Sangli Power Business, on a going concern basis, consisting *inter alia* of:
 - 4.4.1. All the assets forming part of the Sangli Power Business as on the commencement of the Appointed Date including, as more particularly described under **Schedule 'A'** annexed hereto;

- 4.4.2. All debts, liabilities, duties and obligations attached to and/or forming part of the Sangli Power Business as on the commencement of the Appointed Date including, as more particularly described under **Schedule 'B'** annexed hereto and comprising of:
- 4.4.2.1. All the debts, duties, obligations and liabilities, including contingent liabilities which arise out of the activities or operations of Sinewave in relation to the Sangli Power Business and all other debts, liabilities, duties, and obligations of Sinewave relating to the Sangli Power Business which may accrue or arise on and after the Appointed Date but which related to the period up to the day immediately preceding the Appointed Date;
- 4.4.3. Without prejudice to the generality of sub-clause 0 and 0 above, the Sangli Power Business, shall mean and include:
- 4.4.3.1. all the assets and properties, whether movable or immovable, real or personal, fixed assets, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent assets including stock, investments, claims, powers, authorities, allotments, approvals, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights, tenancy rights, permits, authorisations, quota rights, including reserves, provisions, funds, utilities, electricity, water and other service connections, books, records, files, papers, engineering and process information, computer programmes along with licenses, drawings, backup copies, websites, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form, benefits of agreements, contracts and arrangements, powers, authorities, balances with all regulatory authorities, liberties, advantages, easements and all the right, title, interest, goodwill, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts, earnest moneys/ security deposits and all other rights, claims and powers, of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Sangli Power Business, as on the commencement of the Appointed Date and all earnest money and/or deposits including security deposits paid by in relation to the Sangli Power Business as on the commencement of the Appointed Date and all other rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect tax laws, central goods and services tax, state goods and services tax, integrated goods and service tax and particularly Sales Tax benefits, CENVAT benefits, import and export benefits and custom duty benefits, MAT credit, tax deferrals, accumulated tax losses, unabsorbed tax depreciation of Sinewave in relation to the Sangli Power Business of Sinewave;
- 4.4.3.2. the entire power plant along with the plant and machineries forming part of the Sangli Power Business together with all units and components, associated equipment, buildings/structures, control systems, safety devices, interconnection facilities, buildings, step-up transformer's output breakers, electric lines, overhead transmission lines, any facility necessary to connect to the point of delivery distribution delivery points, fuel handling facility, treatment or storage facilities, water supply, grid connectivity, and all the other assets and facilities required for the efficient and economic operation of the Sangli Power Business;
- 4.4.3.3. any license fee with any Governmental Authority that may have been paid by Sinewave in relation to Sangli Power Business;
- 4.4.3.4. all intellectual property rights including trademarks, client relations (including pending client orders), brands, domain names, trade names and the goodwill associated therewith, patents rights copyrights and other industrial designs and intellectual properties and rights of any nature whatsoever including know-how assignments and grants in respect thereof of Sinewave in relation to the Sangli Power Business of Sinewave as on the Appointed Date. All applications made by Sinewave for purpose of registration of any intellectual property in relation to the Sangli Power Business of Sinewave;
- 4.4.3.5. all employees of Sinewave engaged in the Sangli Power Business of Sinewave; and in each case, as on the commencement of the Appointed Date and as modified and altered from time to time to the Effective Date.

- 4.5. "**Effective Date**" means the (a) dates on which certified copies of the order(s) of the respective Tribunals sanctioning the Scheme are filed with the respective Registrar of Companies; or (b) dates on which the last of the approvals in Clause 22 of the Scheme are obtained, whichever is later.
All references in this Scheme to the date of "coming into effect of the/this Scheme" shall mean the Effective Date.
- 4.6. "**Governmental Authorities**" 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 having jurisdiction over the territory of India.
- 4.7. "**Record Date**" means the date to be fixed by the Board of Directors of Sinewave, upon the Scheme coming into effect, and if required, in consultation with Ambuja, for the purpose of reckoning name of the equity shareholders of Sinewave, who shall be entitled to receive the New Shares to be issued by Ambuja and for any other purpose as provided in this Scheme.
- 4.8. "**Remaining Undertaking**" means all the undertakings, business activities and operations of Sinewave, other than those comprised in the Demerged Undertaking, as on the commencement of the Appointed Date and as modified and altered from time to time to the Effective Date.
- 4.9. "**Resulting Company**" or "**Ambuja**" means Ambuja Intermediates Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office located at Office No. 10,11,12,13, 3rd Floor, 4D Square, Opposite I.I.T Engineering College, Vishat-Gandhinagar Highway, Motera, Ahmedabad 380005, Gujarat bearing Corporate Identification No.U24231GJ1988PTC011091. The Permanent Account Number of Ambuja is AACCA1236B.
- 4.10. "**RoC**" shall mean Registrar of Companies, Mumbai and Registrar of Companies, Ahmedabad.
- 4.11. "**Sangli Power Business**" means the power business of Sinewave engaged in biomass fuel based power generation located at Gut No. 351, 375 Village Tung, Taluka Miraj, Sangli, Maharashtra including, power plant situated at the aforesaid address generating 10MW power.
- 4.12. "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this Scheme of Arrangement (Demerger) in its present form submitted to the respective Tribunal with modification(s), approved or imposed or directed by the Tribunals.
- 4.13. "**Tribunal**" means the National Company Law Tribunals, having territorial jurisdiction – viz, Mumbai Bench for Sinewave and Ahmedabad Bench for Ambuja.

5. SHARE CAPITAL

- 5.1. The Share Capital of Sinewave as on March 31, 2017 is as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
75,00,000 Equity Shares of Rs.10 each	7,50,00,000
Total	7,50,00,000
Issued, Subscribed and Paid-up Capital:	
66,38,000 Equity Shares of Rs.10 each	6,63,80,000

Particulars	(Amount in Rs)
Total	6,63,80,000*

*Add forfeited amount of Rs.20,50,000 (Rupees twenty lakhs fifty thousand) in view of the full paid up amount for 4,10,000 (Four lakh ten thousand) forfeited equity shares.

- 5.2. Sinewave increased its Authorised Share Capital on February 1, 2018 and converted its convertible debentures into certain number of equity shares on March 22, 2018 by following the requisite procedures of law. As on date of the approval of this Scheme by the Board of Directors of Sinewave i.e. March 22, 2018, the capital structure of Sinewave stands as follows:

Particulars	(Amount in Rs)
Authorised Share Capital	
87,00,000 Equity Shares of Rs.10 each	8,70,00,000
Total	8,70,00,000
Issued, Subscribed and Paid-up Capital:	
85,20,293 Equity Shares of Rs.10 each	8,52,02,930
Total	8,52,02,930 *

*Add forfeited amount of Rs.20,50,000 (Rupees twenty lakhs fifty thousand) in view of the full paid up amount for 4,10,000 (Four lakh ten thousand) forfeited equity shares.

- 5.3. The Share Capital of Ambuja as on March 31, 2017 is as under:

Particulars	(Amount in Rs)
Authorised Share Capital	
2,00,00,000 Equity Shares of Rs.10 each	20,00,00,000
Total	20,00,00,000
Issued, Subscribed and Paid-up Capital:	
1,23,25,000 Equity Shares of Rs.10 each	12,32,50,000
Total	12,32,50,000

PART III DEMERGER OF THE DEMERGED UNDERTAKING OF SINEWAVE

6. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

- 6.1. With effect from the Appointed Date, the Demerged Undertaking of Sinewave shall, without any further act or deed, be transferred and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in Ambuja, as a going concern in accordance with Section 2(19AA) of the Income Tax Act, 1961, pursuant to the provisions of Sections 230 to 232 read with Section 52 and 66 of the Companies Act, 2013 and other applicable provisions of the relevant Act and the provisions of this Scheme in relation to the mode of transfer and vesting of assets.
- 6.2. The assets of the Demerged Undertaking, which are moveable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and acknowledgement of possession, shall be so transferred by Sinewave and shall become the property of Ambuja without any act or deed on the part of Sinewave and Ambuja and without requiring any separate deed or instrument or conveyance for the same to the end and intent that the property and benefits therein passes to Ambuja.

- 6.3. The assets of the Demerged Undertaking on the Appointed Date shall, upon the Scheme coming into effect, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in Ambuja pursuant to the provisions of Sections 230 to 232 read with Section 52 and 66 of the Companies Act, 2013, and other applicable provisions of the relevant Act and the vesting of all such assets shall take place from the Effective Date.
- 6.4. The assets of the Demerged Undertaking, acquired by Sinewave on and from the Appointed Date up to the Effective Date, shall also without any further act, instrument or deed, stand transferred to or be deemed to have been transferred to Ambuja upon the Scheme coming into effect.
- 6.5. For avoidance of doubt, upon the Scheme coming into effect, all the rights, title, interest and claims of Sinewave in any leasehold properties in relation to the Demerged Undertaking shall, pursuant to Section 232 of the Companies Act, 2013 and other applicable provisions of relevant Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Ambuja, however the said transfer shall be subject to payment of applicable duties.
- 6.6. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all approvals, environmental approval and consents, permissions (municipal and any other statutory permission), licences, certificates, clearances, membership, subscriptions, entitlements, incentives, engagements, remissions, remedies, subsidies, concession and any exemptions or waivers, authorities, power of attorney(s) given by, issued to or executed in favour of Sinewave, in relation to the Demerged Undertaking, shall stand transferred to Ambuja as if the same were originally given by, issued to or executed in favour of Ambuja and Ambuja shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to Ambuja. Sinewave and Ambuja shall make applications to any Governmental Authorities or any third persons (as the case may be) as may be necessary in this behalf.
- 6.7. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, Ambuja may, at any time after the Scheme coming into effect in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds (*including but not limited to deeds of adherence*), confirmations or other writings or tripartite arrangements with any party to any contract or arrangements to which Sinewave is a party or any writing as may be necessary to be executed in order to give formal effect to the above provisions. Ambuja, shall under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Sinewave and to carry out or perform all such formalities and compliances referred to above in relation to the Demerged Undertaking being transferred by Sinewave.
- 6.8. Ambuja shall be entitled to the benefit of all insurance policies which have been issued in respect of the Demerged Undertaking and the name of Ambuja shall be substituted as "Insured" in the policies as if Ambuja was initially a party.
- 6.9. With effect from the Appointed Date, all debts, liabilities and obligations, whether recorded or not, of Sinewave relating to the Demerged Undertaking, as on the close of the business on the day immediately preceding the Appointed Date, shall become the debts liabilities, duties and obligations of Ambuja, who shall upon the Scheme coming into effect, meet, discharge and satisfy the same to the exclusion of Sinewave.
- 6.10. With effect from the Appointed Date, and subject to the provisions of this Scheme, the liabilities of the Demerged Undertaking including, but not limited to all secured and unsecured debts, sundry creditors, liabilities (including contingent liabilities) and all duties and obligations in relation to the Demerged Undertaking (including any guarantees, indemnities, letter of credit or any other instrument or arrangement which may give rise to a contingent liability in whatever form) of every kind, nature and description whatsoever and howsoever arising,

raised or incurred or utilized for its business activities and operations, shall, pursuant to the sanction of this Scheme by the respective Tribunals and under the provisions of Sections 230 to 232 read with Section 52 and 66 and other applicable provisions, if any, of the Act, without any further act, instrument or deed or matter or thing be transferred to and vested in or be deemed to have been transferred to and vested in Ambuja, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by Ambuja to the extent that they are outstanding as on the Effective Date so as to become as and from the Appointed Date, the liabilities of Ambuja on the same terms and conditions as were applicable to Sinewave, without any consent of any third party or other person who is a party to the contract or arrangements by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause. Further, any existing credit facilities which have been sanctioned to Sinewave in relation to the Demerged Undertaking by the bankers, financial institutions and any third party and which is standing as on the Appointed Date but before the Effective Date shall upon the Scheme coming into effect shall ipso facto extend to Ambuja in relation to the Demerged Undertaking.

- 6.11. Where any such debts, loans raised, liabilities, duties and obligations of Sinewave in relation to the Demerged Undertaking as on the Appointed Date have been discharged or satisfied by Sinewave after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of Ambuja.
- 6.12. With effect from the Appointed Date, all guarantees, indemnities and contingent liabilities of Sinewave in relation to the Demerged Undertaking shall also, without any further act or deed, be transferred to or be deemed to be transferred to Ambuja so as to become as and from the Appointed Date, the guarantees, indemnities and contingent liabilities of Ambuja 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 guarantees, indemnities and contingent liabilities have arisen or given, in order to give effect to the provisions of this Clause.
- 6.13. The transfer and vesting of the Demerged Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Demerged Undertaking, provided however, any reference in any security documents or arrangements, to which Sinewave is a party, wherein the assets of the Demerged Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Demerged Undertaking as are vested in Ambuja by virtue of this Scheme, to the end and intent that such security, charges, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of Sinewave or any of the assets of Ambuja, provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Ambuja shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages to the end and intent that such securities, charges, hypothecation and mortgages shall not extend or be deemed to extend, to any of other assets of the Demerged Undertaking vested in Ambuja. Notwithstanding anything contrary provided in this Scheme, it is clarified that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Sinewave in relation to the Demerged Undertaking which shall vest in Ambuja by virtue of the vesting of the Demerged Undertaking with Ambuja and Ambuja shall not be obliged to create any further or additional security therefore after the demerger has become operative.
- 6.14. All the loans, advances, credits, overdraft and other facilities sanctioned to Sinewave in relation to the Demerged Undertaking by its bankers, financial institutions and any third party as on the Appointed Date, whether utilised, partly drawn or unutilised shall be deemed to be the loans and advances sanctioned to Ambuja and the said loans, advances and other facilities can be drawn and utilised either partly or fully by Sinewave from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by Sinewave in relation to the Demerged Undertaking (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to Ambuja and all the obligations of Sinewave in relation to the Demerged Undertaking under any loan agreement shall be construed and shall become the

obligation of Ambuja without any further act or deed on the part of Ambuja.

- 6.15. All existing and future incentives, benefits, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, un-availed credits and exemptions and other statutory benefits, including in respect of Income Tax, Excise (including CENVAT), Customs, Central Goods and Services Tax, State Goods and Services Tax, Integrated Goods and Service Tax, VAT, Sales Tax, Service Tax etc. to which Sinewave is entitled in relation to the Demerged Undertaking in terms of the various statutes / schemes / policies, etc. of Union and State Governments shall be available to and vest in Ambuja upon this Scheme becoming effective.
- 6.16. Upon the coming into effect of this Scheme and as per the provisions of Section 72A(4) and other applicable provisions of the Income Tax Act, 1961, all accumulated tax losses and unabsorbed depreciation of Sinewave as pertaining to the Demerged Undertaking shall be transferred to Ambuja.
- 6.17. All taxes, including, income-tax, tax on book profits, service tax, value added tax, goods and service tax etc. paid or payable by Sinewave in respect of the operations and/ or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of Sinewave and, in so far as it relates to the tax payment (including, without limitation, income-tax, tax on book profits, value added tax, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by Sinewave in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by Ambuja and shall, in all proceedings, be dealt with accordingly. Upon the Scheme becoming effective, pursuant to the provisions of this Scheme, Sinewave is expressly permitted to revise their returns and Ambuja is expressly permitted to file its income tax return including tax deducted at source certificates, sales tax/value added tax returns, excise returns, service tax returns, goods and service tax returns and other tax returns and to claim refunds/credits. Further, Sinewave and Ambuja shall have the right to revise their respective financial statements, returns and related withholding tax certificates (including withholding tax certificates relating to transactions between Sinewave and Ambuja) along with prescribed forms, filings and annexures under the Income-tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including minimum alternate tax, taxes deducted at source, wealth tax, etc.) and for matters incidental thereto, if required.
- 6.18. Any refund, under the Income-tax Act, 1961, Integrated Goods and Services Tax, Central Goods and Services Tax, State Goods and Services Tax, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Sinewave in relation to the Demerged Undertaking consequent to the assessment made on Sinewave (including any refund for which no credit is taken in the accounts of Sinewave) as on the date immediately preceding the Appointed Date shall also belong to and be received by Ambuja, upon this Scheme becoming effective.
- 6.19. Any tax liabilities under the Income-tax Act, 1961, Integrated Goods and Services Tax, Central Goods and Services Tax, State Goods and Services Tax, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/regulations dealing with taxes/ duties/ levies of Sinewave in relation to the Demerged Undertaking to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Ambuja.
- 6.20. All intangible assets (including but not limited to goodwill) belonging to but not recorded in the books of account of Sinewave and all intangible assets (including but not limited to goodwill) arising or recorded in the process of the demerger, if any, in books of account of Ambuja shall, for all purposes, be regarded as an intangible asset in terms of Explanation 3(b) to Section 32(1) of the Income Tax Act, 1961 and Ambuja shall be eligible for depreciation thereunder at the prescribed rates.
- 6.21. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Sinewave pertaining to the Demerged Undertaking

after the Effective Date shall be accepted by the bankers of Ambuja and credited to the account of Ambuja, if presented by Ambuja. Similarly, the banker of Ambuja shall honour all cheques issued by Sinewave pertaining to the Demerged Undertaking for payment after the Effective Date. If required, Sinewave shall allow maintaining of bank accounts in the name of Sinewave by Ambuja for such time as may be determined to be necessary by Sinewave and Ambuja for presentation and deposition of cheques and pay orders that have been issued in the name of Sinewave in connection with the Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against Sinewave in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Sinewave pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued, by or against, Ambuja after the coming into effect of the Scheme.

- 6.22. Pursuant to the order of the respective Tribunals, Ambuja shall file the relevant notifications and communications in relation to assignment, transfer, cancellation, modification, or encumbrance of any license/ certificate and any other registration including but not limited to Central Goods and Services Tax, State Goods and Services Tax, Integrated Goods and Service Tax, VAT, CST, Excise, Service Tax, Income Tax, IEC Code, ESI, Company Registration Number, PF, etc. if any, for the record of the appropriate authorities, which shall take them on record.

7. CANCELLATION OF LOANS AND ADVANCES

- 7.1. Upon the Scheme coming into effect, all the loans and advances or any kind of debts made by Ambuja in Sinewave shall, without any further act or deed, get cancelled at their respective face value.
- 7.2. Upon the Scheme coming into effect, any instrument issued by Sinewave in favour of Ambuja in relation to any outstanding loans and advances and/or any kind of debts, as set out in Clause 0, shall also, without any further act or deed, get cancelled.
- 7.3. The obligations in respect of the aforesaid loans, advances or any kind of debts shall come to an end and a corresponding suitable effect shall be given in the books of accounts and records of Ambuja and Sinewave. If required, reduction/cancellation of such loans and advances or any kind of debts shall be reflected in the books of accounts and records of Ambuja and Sinewave.

8. ISSUE OF NEW SHARES

- 8.1. Upon the Scheme coming into effect, in consideration of the demerger of the Demerged Undertaking into Ambuja pursuant to provisions of this Scheme, and without any further application, act, deed payment, consent, acts, instrument or deed, Ambuja will issue and allot 1054 fully paid-up equity shares of Rs.10 each (the "**New Shares**") to shareholders of Sinewave in accordance with the terms of the Scheme. The New Shares will be issued by Ambuja to such equity shareholders of Sinewave whose names are recorded in the register of members of Sinewave as on the Record Date in the ratio of 1: 8000, i.e. 1 (One) equity share of Rs.10 each credited as fully paid up in Ambuja for every 8000 (Eight thousand) equity shares of Rs.10 each fully paid up held by them in Sinewave.
- 8.2. No equity shares shall be issued and allotted in respect of fractional entitlements, if any, by Ambuja to which the equity members of Sinewave may be entitled on issue and allotment of shares as aforesaid in Clause 0. The Board of Directors of Ambuja shall, instead consolidate all such fractional entitlements and thereupon distribute/transfer equity shares in lieu thereof to a director or an officer of Ambuja or such other person as the Board of Directors of Ambuja shall appoint in this behalf who shall hold the shares in trust on behalf of the members of Sinewave entitled to fractional entitlements with the express understanding that such director(s) or officer(s) or person(s) shall sell the same to any third party (including, any existing shareholder of Sinewave) at such time or times and at such price or prices in the market which shall not be less than the price determined by the valuer in its valuation report for purpose of determining share exchange ratio as set out in Clause 0 above, and pay to

Ambuja, the net sale proceeds thereof, whereupon Ambuja shall distribute such net sale proceeds, subject to tax deductions as applicable, to the members of Sinewave (to their last known addresses as per the records of Sinewave) in proportion to their respective fractional entitlements.

- 8.3. The New Shares, to be issued and allotted by Ambuja, in terms of this Scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of Ambuja. The New Shares, to be issued and allotted, shall rank *pari-passu* in all respects with the existing shares of Ambuja, including in respect of dividends, if any, that may be declared by Ambuja, on or after the Effective Date.
- 8.4. The issue and allotment of the New Shares in Ambuja to the shareholders of Sinewave as provided in the Scheme shall be carried out and the same would not require following of the procedure laid down under Sections 42 and 62 of the Companies Act, 2013 and any other applicable provisions of the relevant Act.

PART IV REORGANISATION OF SHARE CAPITAL OF SINEWAVE

9. RE-ORGANISATION OF SHARE CAPITAL OF SINEWAVE

- 9.1. Sinewave has accumulated losses disclosed in the books of accounts due to various factors. It is proposed to write off accumulated losses of Sinewave as reflected in debit balance of Profit and Loss Account as on March 31, 2017 and excess of assets transferred over liabilities pursuant to this Scheme against Capital Reserve Account, Securities Premium Account and Share Capital of Sinewave in the manner as set out in this Clause.
- 9.2. Upon the Scheme coming into effect, the partly paid up shares forfeited by Sinewave being, 4,10,000 (four lakh ten thousand) equity shares of Rs.10/- each shall be cancelled under this Scheme and the amount of Rs.20,50,000/- (Rupees twenty lakhs fifty thousand), being the amount paid up on such shares shall, without any act or deed, be transferred to its Capital Reserve Account and consequently, the issued, subscribed and paid-up equity share capital of Sinewave shall stand, without any act or deed, reduced to such extent. Sinewave undertakes to comply with all necessary legal requirements to effect the aforesaid cancellation, transfer and reduction. The cancellation, transfer and reduction in relation to forfeiture as set out above shall be effected as an integral part of the Scheme itself.
- 9.3. Upon the Scheme coming into effect, the issued, subscribed and paid up equity share capital of Sinewave shall be reduced by reducing the face value of the equity shares from 1 (one) equity share of Rs.10/- each fully paid up to 1 (One) equity share of Re.1 (One) each fully paid. As a result, the issued, subscribed and paid up share capital of Sinewave shall reduce from the present sum of Rs.8,52,02,930/- (Rupees eight crores fifty two lakhs two thousand nine hundred and thirty only) comprising of 85,20,293 (Eighty five lakhs twenty thousand two hundred and ninety three) equity shares of Rs.10 each (for clarity this does not include equity share capital not fully paid and which has been forfeited) to Rs.85,20,293/- (Rupees eighty five lakhs twenty thousand two hundred and ninety three) comprising of 85,20,293 equity shares of Re. 1 each without any further act or deed.
- 9.4. The share certificates of Sinewave in relation to the equity shares held by its members shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled pursuant to this Scheme and new share certificates (after taking into effect the reduction of share capital as mentioned in Clause 00 above) will be issued to the members of Sinewave. For avoidance of confusion, Sinewave will, on the Record Date, issue new share certificates fully paid-up (after taking into effect the reduction of share capital as mentioned in Clause 0 above) on each such new share certificate and shall be delivered to its members on the Record Date on their last known addresses as per the records of Sinewave along with the notice to its members requesting them to surrender the old share certificates. Notwithstanding anything to the contrary, upon the issue of new share certificates in Sinewave to the members, the old share certificates held by them in Sinewave shall be

deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date.

- 9.5. Sinewave has credit balance in the Securities Premium Account amounting to Rs.26,60,48,280/- (Rupees twenty six crores sixty lakhs forty eight thousand two hundred and eighty) in its books of account as on 31st March, 2018.
- 9.6. Upon the Scheme coming into effect, balance arising out of reduction of issued, subscribed and paid-up share capital of an amount of Rs.7,66,82,637/- (Rupees seven crores sixty six lakhs eighty two thousand six hundred and thirty seven) (as referred in Clause 0 above); balance in the Capital Reserve Account of Rs.10,95,50,000/- (Rupees ten crores ninety five lakhs fifty thousand) (which also includes forfeited amount as set out in Clause 0) and balance in the Securities Premium Account of Rs.26,60,48,280/- (Rupees twenty six crores sixty lakhs forty eight thousand two hundred and eighty) shall deem to get adjusted against debit balance in Profit and Loss Account of Sinewave without any act or deed.
- 9.7. The reduction in the issued, subscribed and paid-up share capital, Forfeited Amount, Securities Premium Account and Capital Reserve Account as above, shall be effected as an integral part of the Scheme itself and shall be deemed to be in accordance with the provisions of Sections 52 and 66 of the Act and the Order of this Tribunal, as the case may be, shall be deemed to be an order under Section 66 of the Act for the purpose of confirming the reduction. Sinewave shall not be obliged/ required to separately call for the meeting of its members/creditors for obtaining their approval for the reduction. The reduction does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital under the provisions of the Section 66 of the Act.
- 9.8. Notwithstanding the reduction as mentioned above, Sinewave shall not be required to add "and reduced" as suffix and shall continue in its existing name.

10. REMAINING UNDERTAKING

- 10.1. The Remaining Undertaking shall continue with Sinewave.
- 10.2. The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to, be vested in and be managed by Sinewave.
- 10.3. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against Sinewave under any statute, whether pending as on the Appointed Date or which may be instituted at any time thereafter, and in each case, relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Remaining Undertaking), shall be continued and enforced by or against Sinewave after the Effective Date.
- 10.4. With effect from the Appointed Date and up to and including the Effective Date:
 - 10.4.1. Sinewave shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf; and
 - 10.4.2. all profits accruing to Sinewave thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of Sinewave.

PART V ACCOUNTING TREATMENT

11. ACCOUNTING TREATMENT IN BOOKS OF AMBUJA

- 11.1. Upon the Scheme coming into effect-

- 11.1.1. Ambuja shall record all the assets and liabilities (including, contingent liabilities on account of any dispute, claims whether contested by Sinewave or not) pertaining to the Demerged Undertaking transferred to and vested in Ambuja pursuant to this Scheme, at book value as appearing in the books of Sinewave on the close of business on March 31, 2017.
- 11.1.2. The excess of assets over liabilities or deficit, if any, remaining after recording the entries as referred to in the aforesaid Clause 0 over the face value of the New Shares allotted in accordance with the Clause 0 of the Scheme shall be considered as capital reserve or goodwill, as the case may be.
- 11.1.3. Ambuja shall credit its Share Capital Account in its books of account with the aggregate face value of the New Shares issued to the shareholders of Sinewave pursuant to Clause 0 of this Scheme.
- 11.1.4. Ambuja shall record the cancellation of loans and advances made by it to Sinewave in its books of account.
- 11.1.5. Ambuja shall pass such accounting entries which are necessary in connection with the Scheme to comply with applicable accounting standards.

12. ACCOUNTING TREATMENT IN BOOKS OF SINEWAVE

- 12.1. Upon the Scheme coming into effect –
 - 12.1.1. Sinewave shall reduce from its books, the book value of assets and liabilities transferred part of the Demerged Undertaking to Ambuja, pursuant to the Scheme. Sinewave's books of accounts shall reflect the assets and liabilities of the Remaining Undertaking, after vesting of the Demerged Undertaking at book values unto Ambuja.
 - 12.1.2. The difference between the excess of book value of assets over the book value of liabilities pertaining to the Demerged Undertaking shall be adjusted to the Debit balance in Profit and Loss Account.
 - 12.1.3. Sinewave shall record reduction of Share Capital, Forfeited Amount, Securities Premium Account and Capital Reserve Account and write off against losses of Sinewave as on March 31, 2017 in the manner as set out in Clause 0.
 - 12.1.4. Sinewave shall pass such accounting entries which are necessary in connection with the Scheme to comply with applicable accounting standards

PART VI GENERAL CLAUSES

13. STAFF, WORKMEN AND EMPLOYEES

- 13.1. On the Scheme coming into effect, all the staff, workmen and employees of the Demerged Undertaking in service on such date shall be deemed to have become staff, workmen and employees of Ambuja with effect from the Effective Date without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with Sinewave shall not be less favourable than those applicable to them with reference to the Demerged Undertaking on the Effective Date. The position, rank and designation of the employees would however be decided by Ambuja.
- 13.2. In so far as the Provident Fund, Gratuity Fund or any other Special Fund created or existing for the benefit of the staff, workmen and employees of the Demerged Undertaking are concerned, upon the Scheme coming into effect, Ambuja shall stand substituted for Sinewave for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds 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 Sinewave in relation to such Fund or Funds shall become those of Ambuja, respectively, and all the rights, duties and benefits of the staff, workmen and employees employed in the Demerged Undertaking under such Funds and Trusts shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Demerged Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.

14. CONTRACTS, DEEDS AND STATUTORY CONSENTS

- 14.1. Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements (*including any power purchase agreement, powers supply agreement etc.*), arrangements and other instruments of whatsoever nature relating to the Demerged Undertaking which are subsisting or having effect immediately before the Effective Date shall be in full force against or in favour of Ambuja, respectively, and may be enforced as fully and effectively as if, instead of Sinewave, Ambuja had been a party or beneficiary thereto. Ambuja shall, if necessary, to give formal effect to this Clause, enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which Sinewave is a party.
- 14.2. Ambuja shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government or any other agency, department or other authorities concerned as may be necessary under law, for such consents, approvals and sanctions which Ambuja, respectively, may require to own and operate the Demerged Undertaking.

15. LEGAL PROCEEDINGS

- 15.1. If any legal, taxation or other proceedings of whatever nature, whether civil or criminal (*including, before any statutory or quasi-judicial authority or tribunal*) (the "**Proceedings**") by or against Sinewave in relation to the Demerged Undertaking is pending/ arising at the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Demerged Undertaking or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against Ambuja, in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against Sinewave as if the Scheme had not been made. On and from the Effective Date, Ambuja, as the case may be, shall and may initiate any legal proceedings for and on behalf of the Demerged Undertaking.
- 15.2. It is clarified that after the Appointed Date, in case the Proceedings referred above with respect to the Demerged Undertaking of Sinewave, cannot be transferred for any reason, Sinewave shall prosecute or defend the same at the cost of and in consultation with Ambuja, and Ambuja shall reimburse, indemnify and hold harmless Sinewave against all liabilities and obligations incurred by Sinewave in respect thereof.
- 15.3. In the event that the Proceedings referred to above, require Sinewave and Ambuja to be jointly treated as parties thereto, Ambuja shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with Sinewave.
- 15.4. Pending the sanction of the Scheme, Sinewave in relation to the Demerged Undertaking shall, in consultation with Ambuja, continue to prosecute, enforce or defend, the proceedings, whether pending or initiated pending the sanction of the Scheme.

16. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

- 16.1. With effect from the Appointed Date and up to the Effective Date:
 - 16.1.1. Sinewave shall carry on their business and activities in the normal course of business till the vesting of the Demerged Undertaking on the sanction of the Scheme by the respective

Tribunal, and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the assets of the Demerged Undertaking for and an account of and in trust for Ambuja;

- 16.1.2. all the profits or income accruing or arising to the Demerged Undertaking or the expenditure or losses arising or incurred by the Demerged Undertaking shall for all purposes be treated and be deemed to be and accrued as the profits and income or expenditure or losses of Ambuja, as the case may be;
- 16.1.3. Sinewave shall not vary the terms and conditions of any agreements or contracts in relation to the Demerged Undertaking except in the ordinary course of business or without the prior consent/intimation to Ambuja or pursuant to any pre-existing obligation undertaken by them;
- 16.1.4. Sinewave shall carry on its business and activities with reasonable diligence and business prudence;
- 16.1.5. Sinewave and Ambuja shall be entitled, pending sanction of the Scheme to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules for such consents, approvals and sanctions, which may be required in relation to the Scheme;
- 16.1.6. all the taxes of Sinewave in relation to the Demerged Undertaking paid or payable by Sinewave shall be deemed to be taxes paid or payable (as the case may be) by Ambuja; and
- 16.1.7. Sinewave shall with intimation to Ambuja, take major decisions in respect of its assets and liabilities of those pertaining to the Demerged Undertaking and their present capital structures.

17. RATIFICATION

- 17.1. Except as provided in the Clauses above, Ambuja, shall accept all acts, deeds and things relating to the Demerged Undertaking, respectively done and executed by and/or on behalf of Sinewave on and after the Appointed Date as acts, deeds and things done and executed by and/or on behalf of Ambuja, as the case may be.

18. DIVIDEND, PROFIT, BONUS, RIGHT SHARES

- 18.1. At any time upto the Effective Date, Sinewave shall not declare dividend, distribute profits or issue or allot any right shares or bonus shares or any other security converting into equity shares or other share capital or obtain any other financial assistance converting into equity shares or other share capital, unless agreed to by the Board of Directors of Ambuja.

PART VII GENERAL TERMS AND CONDITIONS

19. APPLICATION TO THE TRIBUNAL

- 19.1. Sinewave and Ambuja shall, with all reasonable despatch, make applications/petitions under Sections 230 to 232 read with Section 52 and 66 of the Companies Act, 2013 and other applicable provisions of the relevant Act to the Tribunal, for sanctioning of this Scheme and all matters ancillary or incidental thereto.

20. MODIFICATIONS, AMENDMENTS TO THE SCHEME

- 20.1. Upon prior approval from the Tribunal, Sinewave and Ambuja, (by their respective Board of Directors) may assent from time to time on behalf of persons concerned to any modifications/amendments to this Scheme (including but not limited to the terms and conditions thereof) or any conditions or limitations which the [Tribunals](#), or any authorities under the law may deem fit to approve or impose and to resolve any doubt or difficulties that

may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things necessary for putting the Scheme into effect.

- 20.2. For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, the Directors of Sinewave and Ambuja or any person authorised in that behalf by the concerned Board of Directors, may give and is/are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

21. CONDITIONALITY OF THE SCHEME

- 21.1. This Scheme is specifically conditional upon and subject to:

- 21.1.1. The approval of the Scheme by the requisite majority of the respective members and such class of persons of Sinewave and Ambuja as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the Tribunals in this respect;
- 21.1.2. Sanction of the [relevant](#) Tribunals, being obtained under Sections 230 to 232 read with Section 52 and 66 of the Companies Act, 2013, and other applicable provisions of the relevant Act, if so required on behalf of Sinewave and Ambuja;
- 21.1.3. the date on which the approval for the proposed demerger has been obtained from Maharashtra State Electricity Distribution Co. Ltd. in accordance with the terms of the Bio-mass – Energy Purchase Agreement dated February 5, 2011; and
- 21.1.4. All other sanctions and approvals as may be required by law or otherwise may be necessary for the implementation of this Scheme (if applicable).

22. EFFECTIVE DATE OF THE SCHEME

- 22.1. This Scheme, although to come into legal operation from the Appointed Date, shall not come into effect until the last date of:
- 22.1.1. the date on which the last of all the consents approvals, permissions resolutions sanctions and/or orders as are here in above referred to have been obtained or passed;
- 22.1.2. the date on which the last of the necessary certified/authenticated copies of the order under Sections 230 to 232 read with Section 52 and 66 of the Companies Act, and other applicable provisions of the relevant Act are duly filed with the relevant RoC and such date shall be referred to as the Effective Date for the purpose of the Scheme.

23. DATE OF TAKING EFFECT

- 23.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunals and/or by the Board of Directors shall although be operative from the Effective Date but shall be deemed to be retrospectively effective from the Appointed Date in accordance with the provisions of Section 232 (6) of the Act.

24. REVOCATION OF THE SCHEME

- 24.1. In the event of any of the said sanction and approval referred to in the preceding Clauses 21 and 22 above not being obtained and/or the Scheme not being sanctioned by the [respective Tribunal](#) and/or the Order(s) not being passed as aforesaid within twenty-four (24) months from the date of filing of the Company Applications with the respective Tribunals, or within such further period(s) as may be agreed upon from time to time between Sinewave and Ambuja (through their respective Board of Directors), this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* between Sinewave and Ambuja, or their respective

shareholders or employees or any other persons, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation 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 this Scheme and or otherwise arise as per law. For the purpose of giving full effect to this Scheme, the respective Board of Directors of Sinewave and Ambuja, are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their power through and by their respective delegates.

24.2. The Board of Directors of Sinewave and Ambuja, shall be entitled to revoke, cancel and declare the Scheme of no effect if such Boards of Directors of Sinewave and Ambuja are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up/certified/authenticated orders with any authority could have adverse implication on all/ any of the companies or in case any condition or alteration imposed by the [respective Tribunal](#) or any other authority is not on terms acceptable to them.

24.3. If any part 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 parties that such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

25. COSTS, CHARGES AND EXPENSES CONNECTED WITH THE SCHEME

25.1. All costs, charges, taxes including duties, levies and all other expenses in relation to or in connection with or incidental to this Scheme shall be borne by Ambuja.

SCHEDULE 'A'

List of all Assets relating to the Demerged Undertaking
(as on the Appointed Date)

Assets	Amount (INR)
Tangible Assets	675,242,207
Deferred Tax Assets	1,071,067
Long Term Loans and Advances	78,668,542
Cash & Cash Equivalents	4,152,755
Short Term Loans and Advances	7,208,671
Trade Receivables	65,791,889
Short Term Provisions (Provision for Tax Net of Advance Tax)	1,295,828
Inventories	66,462,676
Total	889,893,635

SCHEDULE 'B'

List of Liabilities, Debt and Claims relating to the Demerged Undertaking
(as on the Appointed Date)

Liabilities	Amount (INR)
Non Current Liabilities	761,501,596
Trade Payable	43,626,709
Other Current Liabilities	10,530,713
Total	815,659,018

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
C A (CAA) NO. 59 OF 2018**

In the matter of the Companies Act, 2013;
AND

In the matter of Sections 230 to 232 and other applicable provisions
of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement in the nature of De-merger
between Sinewave Biomass Power Private Limited and Ambuja
Intermediates Private Limited as well as Restructure of Capital of
Sinewave Biomass Power Private Limited.

Ambuja Intermediates Private Limited.
(CIN U24231GJ1988PTC011091)

A company incorporated under the provisions of Companies
Act, 1956 and having its registered office at No. 10,11,12,13,
3rd Floor, 4D Square, Opposite I.I.T Engineering College,
Vishat- Gandhinagar Highway, Motera, Ahmedabad 380005,
in the state of Gujarat.

**...Applicant Resulting/
Transferee Company**

FORM OF PROXY

I, the undersigned, the Equity Shareholder of Ambuja Intermediates Private Limited, do hereby appoint Mr./Ms. _____ of _____ and failing him/her _____ of _____ as my Proxy to act for me at the meeting of the Equity Shareholders of the Applicant Company to be held on Saturday, the 4th day of August 2018 at 11.00 a.m., at the Registered office of the Applicant Company at No. 10-13, 3rd Floor, 4D Square, Opposite I.I.T Engineering College, Vishat- Gandhinagar Highway, Motera, Ahmedabad 380005, in the state of Gujarat; for the purpose of considering, and if thought fit, approving, with or without modification(s), the said Scheme of Arrangement in the nature of De-merger between Sinewave Biomass Power Private Limited and Ambuja Intermediates Private Limited as well as Restructure of Capital of Sinewave Biomass Power Private Limited and their respective Shareholders and creditors; (the "Scheme of Arrangement"), and at such meeting and any adjournment/adjournments thereof, to vote, for me and in my name _____ (here, "if for" insert "for" if, "if against" "against" and in the latter case, strike out the words below after "Scheme") the said Scheme either with or without modification(s) as my proxy may approve.

Dated this ___ day of _____ 2018

Signature _____

Affix Re. 1
Revenue Stamp

Name :

Address:

AMBUJA INTERMEDIATES PRIVATE LIMITED

Regd. Office:

No. 10-13, 3rd Floor, 4D Square,
Opp. I.I.T Engineering College,
Vishat- Gandhinagar Highway, Motera,
Ahmedabad 380005, Gujarat

E-mail : account@ambujaindia.com **Website :** www.ambujaindia.com

CIN : U24231GUJ1988PTC11091

Phone No. : 079-40147777, **Fax No. :** 079-40147700

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

DP ID / Client ID / Folio No.	No. of Shares

Name & address of the Equity Shareholder:

I certify that I am a Equity Shareholder / Proxy / Authorised Representative for the Equity Shareholder of the Company.

I hereby record my presence at the Court convened meeting of the Equity share holders held at the Registered office at No.10- 13, 3rd Floor, 4D Square, Opp. I.I.T Engineering College, Vishat-Gandhinagar Highway, Motera, Ahmedabad 380005, Gujarat on Saturday, 4th August 2018 at 11.00 A.M.

Signature of the Shareholder/Proxy

Note : Only Equity Shareholders of the Company or their Proxies will be allowed to attend the Meeting.