

SCHEME OF MERGER
(by way of Merger by Absorption)

OF

ZCL CHEMICALS LIMITED
(Transferor Company 1)
AND

AVRA LABORATORIES PRIVATE LIMITED
(Transferor Company 2)

INTO

COHANCE LIFESCIENCES LIMITED
(Transferee Company)

AND

THEIR RESPECTIVE SHAREHOLDERS

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

For ZCL CHEMICALS LTD.



DIRECTOR

For Avra Laboratories Private Limited



Director

For Cohance Lifesciences Limited



Director

PREAMBLE

This Scheme (as defined hereinafter) is presented under Sections 230 to 232 and other applicable provisions of the Act (as defined hereinafter) and Section 2(1B) and other applicable provisions of Income Tax Act, 1961 for the merger of ZCL Chemicals Limited and Avra Laboratories Private Limited with Cohance Lifesciences Limited.

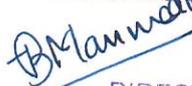
1. BACKGROUND OF COMPANIES

- 1.1. ZCL Chemicals Limited (hereinafter referred to as '**ZCL**' or the '**Transferor Company 1**'), is a public limited company, bearing Corporate Identification Number U24100MH1991PLC060748, incorporated under the Companies Act, 1956 on 13th March 1991 under the name of "**Zandu Chemicals Private Limited**". Thereafter, the company was converted into a public limited company and the name was changed to "**Zandu Chemicals Limited**" and consequent to such change of name, a fresh certificate of incorporation was issued on 7th October 1991. Thereafter, the company changed its name to "**ZCL Chemicals Limited**" and consequent to such change of name, a fresh certificate of incorporation was issued on 6th April 2009. The registered office of the Transferor Company 1 is situated at 215, Atrium, C Wing, 8th Floor, 819/ 821 Andheri Kurla Road, Chakala, Andheri East, MIDC, Mumbai, Maharashtra - 400 093.
- 1.2. ZCL, in accordance with its memorandum of association, is engaged in the business of manufacturing and selling of Active Pharma Ingredients (API) and pharma chemicals. ZCL is a 100% EOU (Export Oriented Unit) engaged in manufacturing and exports of advanced drug intermediates and APIs. ZCL is a specialized pharma company focusing on the niche therapeutic areas of Central Nervous System (CNS), Antiretrovirals (ARVs) and controlled substances having tremendous future growth potential.
- 1.3. Avra Laboratories Private Limited (hereinafter referred to as '**Avra**' or the '**Transferor Company 2**'), is a private limited company, bearing Corporate Identification Number U24230MH1995PTC403253, incorporated under the Companies Act, 1956 on 20th July 1995 under the name "**Avra Laboratories Private Limited**". The registered office of the Transferor Company 2 is situated at 215, Atrium, C Wing, 8th Floor, 819/ 821 Andheri Kurla Road, Chakala, Andheri East, MIDC, Mumbai, Maharashtra - 400 093.
- 1.4. Avra, in accordance with its memorandum of association, is engaged in the business of manufacturing of pharma products. It is the manufacturer of intermediates and Active Pharmaceutical Ingredients (API) that focuses on various therapeutic areas including anti-cancer, anti-ulcer, anti-thrombotic, hematology, pulmonary arterial hypertension (PAH), antipsychotic, and psoriatic arthritis. Avra caters to both domestic and international markets.

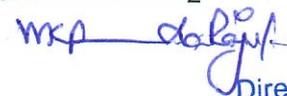
For ZCL CHEMICALS LTD.

For Avra Laboratories Private Limited

For Cohance Lifesciences Limited


DIRECTOR


Director


Director

Avra has an in-house Research & Development (R&D) facility at Hyderabad.

- 1.5. Cohance Lifesciences Limited (hereinafter referred to as '**Cohance**' or '**Transferee Company**'), is a public limited company, bearing Corporate Identification Number U24100MH2020PLC402958, which was originally incorporated under the Companies Act, 2013 on 6th July 2020 under the name '**AI Pharmed Consultancy India Private Limited**'. Later on, the Transferee Company was converted into a public limited company on 27th January 2021. Subsequently, the name of the Transferee Company was changed to '**Cohance Lifesciences Limited**', and consequent to such change of name, a fresh certificate of incorporation was issued on 10th October 2022. The registered office of the Transferee Company is situated at 215, Atrium, C Wing, 8th Floor, 819/ 821 Andheri Kurla Road, Chakala, Andheri East, MIDC, Mumbai, Maharashtra – 400 093.
- 1.6. Cohance, in accordance with its memorandum of association, is engaged in the business of manufacturing and selling of Active Pharmaceutical Ingredients (API), Finished Dosage Formulations (FDF), and caters to both domestic and international markets. Cohance is also engaged in undertaking dossier development and clinical research studies..

The Transferor Company 1 and Transferor Company 2 are collectively, referred to as "**Transferor Companies**".

2. RATIONALE OF THE SCHEME

- 2.1. The Transferor Companies and Transferee Company form part of the same management and shareholder group and are engaged in active pharmaceutical ingredients (API) business and contract development and manufacturing organisation (CDMO) business in the pharmaceutical sector. In order to house the complementary business operations of API and CDMO under one single entity and in order to achieve and maintain a simple corporate structure and eliminate duplicate corporate procedures, it is proposed to merge the Transferor Companies with the Transferee Company.

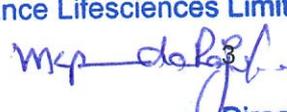
The merger of the Transferor Companies with the Transferee Company shall facilitate consolidation of the business of the Transferor Companies with the business of the Transferee Company, and therefore, streamline the businesses along formulations and clinical research lines, providing an end-to-end offering to the customers. The merger shall enhance growth and business synergies and enable effective management and unified control of operations.

Further, the merger would create economies in administrative and managerial costs by consolidating operations and would substantially reduce duplication of administrative responsibilities and multiplicity of records and legal and regulatory compliances.

For ZCL CHEMICALS LTD. For Avra Laboratories Private Limited


DIRECTOR


Director

For Cohance Lifesciences Limited

Director

- 2.2. The merger of the Transferor Companies with the Transferee Company with effect from the Appointed Date (as hereinafter defined) is in the interest of the shareholders, creditors, employees and other stakeholders of the Transferor Companies and the Transferee Company. Further, there is no likelihood that any creditor of either the Transferor Companies or the Transferee Company will be prejudiced as a result of the Scheme. It is hereby clarified that the intended Scheme is only for the merger of the Transferor Companies into the Transferee Company and is not an arrangement with their respective creditors. The proposed merger will neither impose any additional burden nor adversely affect the interests of any class of shareholders and/ or creditors of either the Transferor Companies or the Transferee Company.
- 2.3. The merger of the Transferor Companies with the Transferee Company pursuant to and in accordance with this Scheme shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income-tax Act, 1961.

PARTS OF THE SCHEME

This Scheme is divided into the following parts:

Part I deals with the definitions of terms used in this Scheme, the details of the share capital of the parties and date of taking effect and implementation of this Scheme;

Part II deals with the merger of ZCL Chemicals Limited and Avra Laboratories Private Limited with Cohance Lifesciences Limited, on a going concern basis and discharge of consideration in lieu thereof; and

Part III deals with general terms and conditions that would be applicable to this Scheme.

PART I: DEFINITIONS, SHARE CAPITAL AND DATE OF TAKING EFFECT AND IMPLEMENTATION OF THE SCHEME

3. DEFINITIONS

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

- 3.1. 'Act' or 'the Act' means the Companies Act, 2013 and rules made thereunder, including any statutory modifications, re-enactments or amendments thereof for the time being in force as the case may be.

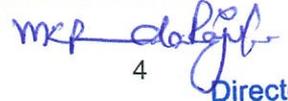
For ZCL CHEMICALS LTD.


DIRECTOR

For Avra Laboratories Private Limited


DIRECTOR

For Cohance Lifesciences Limited

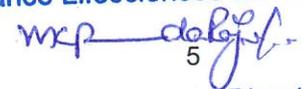

DIRECTOR

- 3.2. **'Appointed Date'** for the purpose of Income Tax 1961 and Scheme, Appointed Date means 1 April 2023;
- 3.3. **'Applicable Law'** or **'Law'** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) approvals; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time
- 3.4. **'Appropriate Authority'** means:
- (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof;
 - (b) any public international organization or supranational body and its institutions, departments, agencies and instrumentalities; and
 - (c) any governmental, quasi-governmental or private body or agency lawfully exercising or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing, exporting or other governmental or quasi-governmental authority including without limitation the Tribunal (as defined hereinafter).
- 3.5. **'Amalgamation'** or **'Merger by Absorption'** means merger of ZCL and Avra with Cohance by this Scheme and in terms and accordance with Section 2(1B) of the Income-tax Act, 1961.
- 3.6. **'Board'** or **'Board of Directors,'** in relation to each of the Transferor Companies and Transferee Company, as the case may be, means and includes their respective board of directors and shall include a committee of directors or any person authorized by the board of directors or such committee of directors for the purpose of this Scheme.
- 3.7. **"Capital Reserve"** means the capital reserve arising out of the amalgamation in the books of the Transferee Company in the form of surplus/deficit, as mentioned in clause 8 of the scheme and not being considered as a free reserve for the purposes of declaring dividends or undertaking buyback of shares.
- 3.8. **'Effective Date'** means the date or last of the dates on which the certified/ authenticated copy of the order of the NCLT (as defined hereinafter) sanctioning this Scheme is filed with the ROC (as defined hereinafter) by the Transferor Companies and the Transferee Company. Any reference in this Scheme to the date of "coming into effect of this Scheme" or "Scheme becoming effective" shall be construed accordingly.

For ZCL CHEMICALS LTD.
or Avra Laboratories Private Limited


DIRECTOR



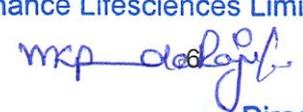
For Cohance Lifesciences Limited
Director

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Director

- 3.9. **'Governmental Authority'** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India.
- 3.10. **'Input Tax Credit'** means CENVAT Credit as defined under the CENVAT Credit Rules, 2004 and GST Input credit as defined in Central Goods & Service Tax Act, 2017 ('CGST'), Integrated Goods & Service Tax Act, 2017 ('IGST') and respective State Goods & Service Tax laws ('SGST') and any other tax credits under any indirect tax law (including Goods & Services Tax Rules/ Act) for the time being in force.
- 3.11. **'NCLT'** means the National Company Law Tribunal, Mumbai Bench having jurisdiction over ZCL, Avra and Cohance for the purpose of approving any scheme of compromises, arrangement and merger of companies under Sections 230 to 232 and other applicable provisions of the Act.
- 3.12. **'ROC'** means the Registrar of Companies, Mumbai.
- 3.13. **'Scheme' or 'Scheme of Amalgamation' or 'this Scheme' or 'Scheme of Merger by Absorption'** means this scheme of amalgamation among ZCL and Avra and Cohance and their respective shareholders for the merger of ZCL and Avra with Cohance, in its present form, with or without any modification(s), as may be approved by the Board of Directors of the Transferor Companies and the Transferee Company and as submitted with the NCLT, subject to such modifications as approved or deemed fit by the NCLT.
- 3.14. **'Transferee Company'** means 'Cohance Lifesciences Limited' or 'Cohance', a company incorporated under the Companies Act, 2013 and having its registered office at 215, Atrium, C Wing, 8th Floor, 819/ 821 Andheri Kurla Road, Chakala, Andheri East, MIDC, Mumbai, Maharashtra – 400093 and bearing Corporate Identification Number U24100MH2020PLC402958.
- 3.15. **'Transferor Company 1'** means 'ZCL Chemicals Limited' or 'ZCL', a company incorporated under the Companies Act, 1956 and having its registered office at 215, Atrium, C Wing, 8th Floor, 819/ 821 Andheri Kurla Road, Chakala, Andheri East, MIDC, Mumbai, Maharashtra – 400093 and bearing Corporate Identification Number U24100MH1991PLC060748.
- 3.16. **'Transferor Company 2'** means 'Avra Laboratories Private Limited' or 'Avra', a company incorporated under the Companies Act, 1956 and having its registered office at 215, Atrium, C Wing, 8th Floor, 819/ 821 Andheri Kurla Road, Chakala, Andheri East, Mumbai 400093 and bearing Corporate Identification Number U24230MH1995PTC403253.
- 3.17. **'Transferor Companies'** means "Transferor Company 1" and "Transferor Company 2", collectively.

For ZCL CHEMICALS LTD. For Avra Laboratories Private Limited


DIRECTOR


Director

For Cohance Lifesciences Limited

Director

3.18. **'Undertaking'** shall mean whole of the undertaking and entire business of the Transferor Companies as a going concern and shall include (without limitation):

- i. All the assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but not limited to land and building (freehold or leasehold), all plant and machinery, vehicles, inventory and stock in trade and merchandise (including, raw materials, supplies, finished goods, and wrapping, supply, advertisement, promotional and packaging material), wherever lying, fixed assets, work in progress, current assets, reserves, provisions, funds, owned, leased, licenses (of all kinds and whatsoever in nature related to the business of the Transferor Companies under various laws in India including but not limited to recognition and approval under Section 35(2AB) of the Income-tax Act, 1961), marketing authorization, product registration, product approvals, registrations, certificates, permissions, consents, licenses, approvals from state, central, municipal or any other authority for the time being in force, concessions, remissions, remedies, subsidies, guarantees, bonds, rights and licenses, tenancy rights, premises, hire purchase, lending arrangements, benefits of security arrangements, security contracts, computers, insurance policies, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, contracts (including, without limitation, any shareholders agreements executed by the Transferor Companies) and arrangements, letters of intent, memoranda of understanding, undertakings, deeds and other instruments of whatsoever nature and description, technology/ technical agreements, powers, authorities, permits, allotments, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, non - compete fee, benefit and advantage, deposits including security deposits, reserves, preliminary expenses, provisions, advances, receivables, deposits, funds, investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, incentives, tax and other credits (including but not limited to credits in respect of income-tax, minimum alternate tax i.e. tax on book profits, tax deducted at source, tax collected at source, value added tax, central sales tax, sales tax, CENVAT, excise duty, service tax, goods and service tax ('GST') etc.), all losses (including but not limited to brought forward tax losses, tax unabsorbed depreciation, brought forward book losses, unabsorbed depreciation as per books), tax benefits and other claims and powers, all books of accounts, documents and records of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favor of or enjoyed by the Transferor Companies, as on the Appointed Date;
- ii. All intellectual property rights including patents, designs, trade secrets, copyrights, trademarks, brands (whether registered or otherwise), records, files, dossiers, papers,

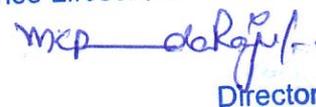

DIRECTOR

For Avra Laboratories Private Limited


DIRECTOR

For Cohance Lifesciences Limited

Director


Director

computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the Transferor Companies' business activities and operations;

- iii. Right to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, with regard to any law, act or rule or scheme made by the Government, and in respect of set-off, carry forward of unabsorbed losses and/ or unabsorbed depreciation, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or taxation laws of other countries, or any other or like benefits under the said statute(s) or under and in accordance with any law or statute, whether in India or anywhere outside India;
- iv. All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Companies and all other obligations of whatsoever kind, nature and description. Provided that, any reference in the security documents or arrangements entered into by the Transferor Companies and under which, the assets of each of the Transferor Companies stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that undertaking of such Transferor Companies only as are vested in Transferee Company by virtue of the Scheme and the Scheme shall not operate to enlarge security for any loan, deposit or facility created by such Transferor Companies which shall vest in Transferee Company by virtue of the Scheme and Transferee Company shall not be obliged to create any further or additional security thereof after the Scheme has become effective;
- v. All other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their employees with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment; and
- vi. All employees, as on the Effective Date, engaged by the Transferor Companies at various locations.

It is intended that the definition of Undertaking under this clause will enable the transfer of all property, assets, rights, duties, obligations, entitlements, benefits, employees and liabilities of the Transferor Companies to the Transferee Company pursuant to this Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act.

For ZCL CHEMICALS LTD

BK Aunmad
DIRECTOR

For Avra Laboratories Private Limited

BK Aunmad
Director

For Cohance Lifesciences Limited

Director

MCP
Director

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

5. SHARE CAPITAL

- 5.1. The authorized, issued, subscribed and paid up share capital of the Transferor Company 1 as at 31 May 2023 is as follows:

Particulars	Amount (Rs)
<u>Authorized Share Capital</u>	
1,20,00,000 equity shares of Rs. 10 each	12,00,00,000
3,00,000 compulsorily convertible preference shares of Rs. 100 each	3,00,00,000
Total	15,00,00,000
<u>Issued, Subscribed and Paid Up Share Capital</u>	
90,60,322 equity shares of Rs. 10 each	9,06,03,220
Total	9,06,03,220

- 5.2. The authorized, issued, subscribed and paid up share capital of the Transferor Company 2 as at 31 May 2023 is as follows:

Particulars	Amount (Rs)
<u>Authorized Share Capital</u>	
70,00,000 equity shares of Rs. 10 each	7,00,00,000
3,00,000 compulsorily convertible preference shares of Rs. 100 each	3,00,00,000
Total	10,00,00,000
<u>Issued, Subscribed and Paid Up Share Capital</u>	
70,00,000 equity shares of Rs. 10 each	7,00,00,000
Total	7,00,00,000

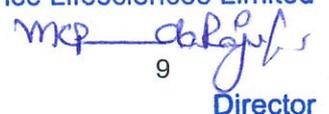
For ZCL CHEMICALS LTD.


DIRECTOR

For Avra Laboratories Private Limited


Director

For Cohance Lifesciences Limited


Director

- 5.3. The authorised, issued, subscribed and paid-up share capital of the Transferee Company as at 31 May 2023 is as follows:

Particulars	Amount (Rs)
<u>Authorized Share Capital</u>	
174,536,930 equity shares of Rs. 10 each	1,74,53,69,300
40,200 compulsorily convertible preference shares of Rs. 100 each	40,20,000
Total	1,74,93,89,300
<u>Issued, Subscribed and Paid Up Share Capital</u>	
14,58,38,927 equity shares of Rs. 10 each	1,45,83,89,270
Total	1,45,83,89,270

The Transferee Company has issued 9,46,41,336 compulsorily convertible debentures (“CCD”) to its shareholder, Jusmiral Holdings Limited, which are outstanding as at Appointed Date.

PART II: MERGER OF THE TRANSFEROR COMPANY 1 AND TRANSFEROR COMPANY 2 WITH THE TRANSFEE COMPANY AND OTHER RELATED MATTERS

6. TRANSFER AND VESTING

Subject to the provisions of this Scheme as specified herein and upon the coming into effect of this Scheme and with effect from the Appointed Date, the entire Undertaking of Transferor Companies shall be transferred to and vested in or be deemed to be transferred to and vested in Transferee Company, as a going concern, without any further act, deed, instrument, in the following manner:

- (a) Upon the coming into effect of this Scheme, all assets including movable and immovable properties (including immovable properties under Schedule 1 of this Scheme) and liabilities of the Transferor Companies of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 read with Section 232 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in sub-clauses (b), (c), (d) and (e) below), be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become as from the Appointed Date the Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations therein.

Provided that for the purpose of giving effect to the vesting order passed under Section 232 in respect of this Scheme, the Transferee Company shall be entitled to get effected

For ZCL CHEMICALS LTD.


DIRECTOR

For Avra Laboratories Private Limited



For Cohance Lifesciences Limited

Director


Director

the change in the title and the appurtenant legal right(s) upon the vesting of such properties in accordance with the provisions of the Act, at the office of the respective sub registrar of assurances or any other concerned authority, where any such property is situated.

- (b) Upon the coming into effect of this Scheme, the mutation of the ownership or title, or interest in the immovable properties of the Transferor Companies if any in favour of the Transferee Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme post the Effective Date in accordance with the terms thereof.
- (c) Upon the coming into effect of this Scheme, all the movable assets of the Transferor Companies including cash in hand, if any, capable of passing by manual delivery or constructive delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company, to the end and intent that the ownership and property therein stands transferred to the Transferee Company on such handing over in pursuance of the provisions of Section 232 and other applicable provisions of the Act (as an integral part of the Undertaking). The plant and machinery (if any) of the Transferor Companies, which are fastened to land and/ or buildings continue to remain movable properties *inter alia* because the said plant and machinery are fastened to land only with a view to have better enjoyment of the movable properties.
- (d) Upon the coming into effect of this Scheme, in respect of all movables, other than those specified in sub-clause (c) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and/ or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of the Act.
- (e) Upon the coming into effect of this Scheme and with effect from the Appointed Date, in relation to the assets, properties and rights including tenancy rights, rights arising from contracts, deeds, instruments and agreements, if any, which require separate documents of transfer including documents for attornment or endorsement, as the case may be, the Transferee Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case may be, as and when required or will enter into a novation agreement, it being clarified for abundant caution that any shareholders' agreement executed by the Transferor Companies shall automatically transfer to the Transferee Company on the Appointed Date.

For ZCL CHEMICALS LTD

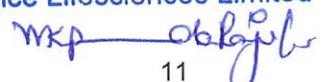

DIRECTOR

For Avra Laboratories Private Limited



Director

For Cohance Lifesciences Limited



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Director

- (f) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities including but not limited to all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations forming part of the Undertaking or otherwise, all other obligations (including any guarantees, letter of credit or any other instrument or arrangement which may give rise to a contingent liability in whatever form) whether relating to and comprised in the Undertaking or otherwise, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized of the Transferor Companies, shall, pursuant to the sanction of this Scheme by the NCLT and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become the liabilities and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the same, further 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 liabilities have arisen in order to give effect to the provisions of this Clause.
- (g) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities (including deferred tax liability), duties, guarantees, indemnities and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet shall also, of the Transferor Companies, under the provisions of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company on the same terms and conditions, as applicable, so as to become as on and from the Appointed Date the debts, liabilities, duties, guarantees, indemnities and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties, guarantees, indemnities and obligations have arisen, in order to give effect to the provisions of this sub-clause.

However, the Transferee Company may, at any time, after the coming into effect of this Scheme, if so required, under any law or otherwise, execute deeds of confirmation in favour of the creditors, or lenders, as the case may be, or in favour of any other party to the contract or arrangement to which Transferee Company is a party or any writing, as may be necessary, in order to give formal effect to the provisions mentioned herein. The Transferee Company shall under the provisions of the Scheme be deemed to be

For ZCL CHEMICALS LTD.
B Maunmedh
DIRECTOR

For Avra Laboratories Private Limited
B Maunmedh
Director

For Cohance Lifesciences Limited
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mkp
Director

authorized to execute any such writings on behalf of the Transferor Companies as well as to implement and carry out such formalities and compliances referred to above.

- (h) The transfer and vesting of the Undertaking of the Transferor Companies as aforesaid shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of the Transferor Companies.

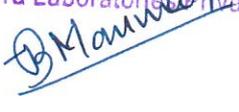
Provided, however, that any reference in any security documents or arrangements (to which Transferor Companies are a party) pertaining to the assets of Transferor Companies offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to such assets, as are offered or agreed to be offered as security, pertaining to Transferor Companies as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Companies or any of the assets of the Transferee Company.

- (i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all permits, quotas, rights, entitlements, tenancies and licenses relating to brands, trademarks, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Undertaking and which are subsisting or having effect immediately before the Appointed Date, shall be and remain in full force and effect in favour of the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a beneficiary or obligee thereto.
- (j) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any statutory licenses (of all kinds and whatsoever in nature related to the business of the Transferor Companies including but not limited to recognition and approval under Section 35(2AB) of the Income-tax Act, 1961), permissions, approvals and/or consents held by the Transferor Companies shall stand vested in, or transferred to, the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Companies shall vest in, and become available to, the Transferee Company upon the Scheme coming into effect.

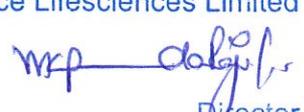
For ZCL CHEMICALS LTD.


DIRECTOR

For Avra Laboratories Private Limited


Director

For Cohance Lifesciences Limited


Director

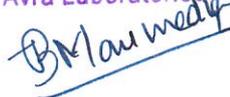
- (k) Upon the coming into effect of this Scheme and all registrations, benefits, incentives, exemptions, subsidies, special status and other benefits or privileges enjoyed (including minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, GST and other incentives), granted by the Government or by any other person and availed of by the Transferor Companies (collectively, the “Benefits”) will be transferred to the Transferee Company, on the same terms and conditions as presently available to the Transferor Companies, upon the Transferee Company intimating the concerned authority or undertaking the necessary actions for the transfer and /or the Board of Directors of the Transferee Company will be authorized to seek approval or enter into an agreement with the concerned authority and/ or undertake such other activity as is necessary for being eligible for the Benefits availed by the Transferor Companies.
- (l) From the Effective Date and until such time that the names of the bank accounts of the Transferor Companies including but not limited to balances with scheduled banks in current accounts and in deposit accounts are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies, in its name, in so far as may be necessary. All cheques and other negotiable instruments, deposit slips, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of Transferor Companies for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Companies.
- (m) All legal proceedings of whatsoever nature by or against the Transferor Companies pending and/ or arising at the Appointed Date shall be continued and/ or enforced until the Effective Date by the Transferor Companies. As and from the Effective Date, the legal proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the Amalgamation or anything contained in the Scheme.

On and from the Effective Date, the Transferee Company may initiate any legal proceedings in relation to the Transferor Companies in the same manner and to the same extent as would or might have been initiated by the Transferor Companies. On or after

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the Appointed Date, if any proceedings are taken against the Transferor Companies, the same shall be defended by and at the cost of the Transferee Company.

- (n) Without prejudice to the above provisions, with effect on and from the Appointed Date, all inter-party transactions between the Transferor Companies and the Transferee Company per se shall be considered as intra-party transactions for all purposes on and from the Appointed Date.

The Transferee Company, under the provisions of this Scheme, is hereby authorized or be deemed to be authorized to execute all and any writings on behalf of the Transferor Companies, to implement and carry out all formalities and compliances in relation to the above-mentioned Clause(s), if required.

7. CONSIDERATION

Issue of consideration on amalgamation of Transferor Company 1 and Transferor Company 2 with Transferee Company

- 7.1. Upon coming into effect of the Scheme, and in consideration for the Scheme, the Transferee Company shall without any application, act or deed, issue and allot equity shares ("**New Equity Shares**") in the following ratio ("**Swap Ratio**"):

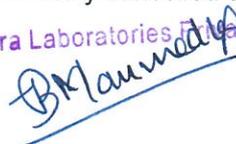
- 156 (One Hundred Fifty-Six Only) fully paid-up New Equity Shares of Rs. 10 each of the Transferee Company for every 1 (one) equity share of Rs. 10 each of the Transferor Company 1; and
- 127 (One Hundred Twenty-Seven only) fully paid-up New Equity Shares of Rs. 10 each of the Transferee Company for every 1 (one) equity share of Rs 10 each of the Transferor Company 2.

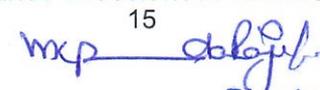
held by the shareholders (other than the Transferee Company, if any) of the respective shareholders of the Transferor Companies and whose names appear in the respective register of members of the Transferor Companies on the Effective Date or to their respective heirs, executors, administrators, assignees, or other legal representatives or other successors in title as may be recognized by the Board of Directors of the respective Transferor Companies, and

provided that, it is clarified that the above Swap Ratio shall be applied to the equity shares actually held by shareholders (other than the Transferee Company, if any) in Transferor Companies as on the Effective Date subject to Clause 7.6 below. All shares held by the Transferee Company in the Transferor Companies (individually or through nominee) as on the Effective Date (if any) shall stand automatically cancelled upon the Scheme coming into

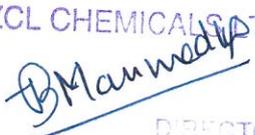
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Director

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Director

- effect, and there will be no issuance of New Equity Shares in lieu of the aforesaid shares which are cancelled.
- 7.2. The New Equity Shares shall be subject to the memorandum and articles of association of the Transferee Company.
- 7.3. The New Equity Shares to be issued pursuant to the provisions of the Scheme as per Clause 7.1 shall be issued to the respective shareholders of the Transferor Companies in dematerialized form, that is, dematerialized shares unless otherwise notified in writing by any shareholder of the Transferor Companies to the Transferee Company on or before such date as may be determined by the Board of Transferee Company. In the event that such notice has not been received by the Transferee Company in respect of any of the shareholders of the Transferor Companies, the New Equity Shares, shall be issued to such shareholders in dematerialized form provided that the shareholders of the Transferor Companies shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Transferee Company has received notice from any shareholder that the New Equity Shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of the Transferee Company, then the Transferee Company shall issue the New Equity Shares in physical form to such shareholder or shareholders.
- 7.4. The New Equity Shares allotted shall rank pari passu with the existing equity shares of the Transferee Company for dividend and all other benefits and on all respects with effect from the date of allotment.
- 7.5. The Transferee Company shall, if and to the extent required, increase and/ or reclassify its Authorized share capital to facilitate issue of the aforesaid New Equity Shares.
- 7.6. Any fractional issue of allotment of New Equity Shares shall be rounded off to the nearest integer such that the shareholders to get at least 1 New Equity Share of the Transferee Company in the event of round-off.
- 7.7. Approval of the Scheme by the shareholders of the Transferor Companies and the Transferee Company shall be deemed to be the due compliance of the provisions of section 62 and other relevant and applicable provisions of the Act for the issue and allotment of New Equity Shares by the Transferee Company to the shareholders of the Transferor Company 1 and Transferor Company 2 as provided in the Scheme.

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- 8.1.7. Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger of the Transferor Company 1 and Transferor Company 2, as stated above, as if the merger had occurred from the beginning of the comparative period. However, if business combination had occurred after that date, the prior period information shall be restated only from that date;
- 8.1.8. For accounting purposes, the Scheme will be given effect on the date when all substantial conditions for the transfer of the Transferor Company 1 and Transferor Company 2 are completed; and
- 8.1.9. Any matter not dealt with in clause hereinabove shall be dealt with in accordance with the requirement of applicable Ind AS.

9. CONSOLIDATION OF AUTHORISED SHARE CAPITAL;

Consolidation and Reclassification of Authorized Share Capital

- 9.1. Upon this Scheme becoming effective, the aggregate of authorized share capital of Transferor Company 1 and Transferor Company 2 existing as on the Effective Date shall be added to the Authorized Share Capital of the Transferee Company and the Transferee Company shall accordingly increase its authorized share capital and reclassify the shares into equity shares and/ or preference shares of the Transferee Company as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and accordingly Clause 5 of the Memorandum of Association shall, without any further act, instrument or deed, be and stand altered, modified and amended.
- 9.2. Pursuant to the Scheme, the Transferee Company shall file the requisite forms with the ROC for alteration and reclassification of its Authorized Share Capital.
- 9.3. Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred amendment in the Memorandum and Articles of Association of the Transferee Company, viz. Change in the capital clause shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the Scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 13, 14, 61 and 230-232 of the Act or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.
- 9.4. It is clarified that the approval of the members of the Transferee Company to this Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act.

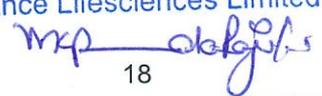
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10. DECLARATION OF DIVIDEND

- 10.1. The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders, as may be decided by their respective Board of Directors, in respect of the accounting period prior to the Appointed Date.
- 10.2. It is clarified that the aforesaid provisions in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any shareholder of either of the Transferor Companies or the Transferee Company to demand or claim any dividends, which is subject to the provisions of Act, and shall be entirely at the discretion of the Board of Directors of the Transferor Companies and Transferee Company, as the case may be, subject to such approval of the respective shareholders as may be required.

11. BOOKS AND RECORDS OF THE TRANSFEE COMPANY

- 11.1. All books, records, files, papers, databases, catalogues, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor Companies, to the extent possible and permitted under applicable laws, be handed over by the Transferor Companies to the Transferee Company upon the Scheme becoming effective.

12. COMPLIANCE WITH TAX

- 12.1. This Scheme is in compliance with the conditions relating to 'amalgamation' as specified under section 2(1B) and other relevant sections of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any retrospective amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Income-tax Act, 1961 shall prevail. The Scheme shall then stand modified, to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, as per the Transferor Company 1 and Transferor Company 2 and the Transferee Company's consent, in accordance with their respective articles of association.
- 12.2. Upon the Scheme becoming effective, the Transferor Companies and the Transferee Company are expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income tax Act, 1961 (including for the purpose of re-computing tax on book profits, and claiming other tax benefits), Wealth-tax Act, 1957, GST laws, central sales tax law, applicable state value added tax law, service tax laws, excise duty laws, VAT law and other tax laws, and to claim refunds and/or credits for taxes

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paid (including minimum alternate tax, tax deducted at source, etc.), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date, notwithstanding that the period for filing / revising such returns and claiming refunds / credits may have lapsed.

- 12.3. All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date and relating to the Transferor Companies shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.

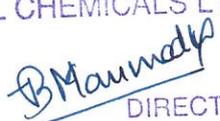
Further, all tax proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the merger of the Transferor Companies with the Transferee Company or anything contained in the Scheme.

- 12.4. Any tax liabilities under the Income-tax Act, 1961, Wealth-tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, GST or other applicable laws/ regulations dealing with taxes, duties, levies allocable or related to the business of the Transferor Companies 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 or stand transferred to Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

- 12.5. Any refund under the Income-tax Act, 1961, Wealth-tax Act, 1957, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, GST or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business and available on various electronic forms (including Form 26AS) / registration of the Transferor Companies due to Transferor Companies consequent to the assessment made on Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received (on various electronic forms (including Form 26AS) / registration) by the Transferee Company.

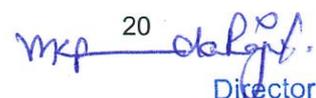
- 12.6. All taxes/credits including income-tax, tax on book profits, credit on minimum alternate tax under Section 115JAA of the Income Tax Act, 1961, sales tax, excise duty, custom duty, service tax, value added tax, GST etc. paid or payable by the Transferor Companies in respect of the operations and/ or the profits of the business before the Appointed Date, shall be on

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account of the Transferor Companies and, in so far as it relates to the tax payment (including, without limitation, income-tax, tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax, GST etc.) whether by way of deduction at source, self-assessment tax, advance tax, MAT credit or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Companies/ Transferee Company on payables to the Transferee Company/ Transferor Companies respectively which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings be dealt with accordingly.

- 12.7. Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies under the Income-tax Act, 1961, customs duty laws, central sales tax, applicable state value added tax, service tax laws, excise duty laws, GST or other applicable laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 12.8. Upon the Scheme becoming effective, the Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Transferor Companies under applicable laws, including income tax, sales tax, value added tax, service tax, GST, CENVAT or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed off or utilised by the Transferor Companies and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- 12.9. All compliances with respect to taxes or any other law between the respective Appointed Date and Effective Date done by the Transferor Companies shall, upon the approval of this Scheme, be deemed to have been complied by the Transferee Company. Without prejudice to the above, upon the Scheme becoming effective, the Transferee Company is also expressly permitted to revise or modify or make adjustments as permitted in the respective tax legislations, its income-tax returns, TDS returns (including TCS), sales tax returns, excise & CENVAT returns, service tax returns, GST returns, other tax returns, notwithstanding that the period for filing / revising such returns may have lapsed and to obtain TDS certificates (including TCS), including TDS and TCS certificates relating to transactions between or amongst the Transferor Companies and the Transferee Company, and to claim refunds, advance tax, minimum alternate tax credits and withholding tax credits, benefits of carry forward of accumulated losses, etc., pursuant to the provisions of this Scheme.

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DIRECTOR

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- 12.10. In accordance with the CENVAT Credit Rules, 2004 framed under Central Excise Act, 1944, state value added tax and GST as are prevalent on the Effective Date, the unutilized credits relating to excise duties, state value added tax, GST and service tax paid on inputs / capital goods / input services lying in the accounts of the Undertaking of the Transferor Companies shall be permitted to be transferred to the credit of the Transferee Company, (including in electronic form / registration), as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty / service tax/ GST payable by it.
- 12.11. Without prejudice to the generality of the above, all benefits, refunds, incentives, losses, credits (including, but without limitation to income tax, tax on book profits, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, GST etc.) to which the Transferor Companies are entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, (including in electronic form / registration), upon this Scheme coming into effect.
- 12.12. It is further clarified that the Transferee Company shall be entitled to claim deduction under Section 43B of the Income-tax Act, 1961 in respect of unpaid liabilities, transferred to it as part of the Undertaking, to the extent not claimed by the Transferor Companies, as and when the same are paid subsequent to the Appointed Date.

13. **CONTRACTS, DEEDS, CONSENTS AND OTHER INSTRUMENTS**

- 13.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements (including, without limitation, any shareholders agreements executed by the Transferor Companies), instruments, letters of intent, memoranda of understanding, licenses, insurance policies and claims, engagements, certificates, permissions, consents, approvals, concessions, incentives (minimum alternate tax, sales tax, excise duty, custom duty, service tax, value added tax, GST and other incentives), remissions, remedies, subsidies, concessions, guarantees and other instruments, if any, of whatsoever nature to which the Transferor Companies are a party or to the benefit of any of which the Transferor Companies may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall automatically transfer, and continue in full force and effect by, for or against or in favor of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of such Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.
- 13.2. Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, the Transferee Company may enter into and/or issue and/or execute deeds, writings or

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confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

- 13.3. It is hereby clarified that by virtue of the provisions of the Scheme and pursuant to the order of the NCLT sanctioning the Scheme, upon the Scheme coming into effect, all rights, services, obligations, liabilities, responsibilities undertaken by or in favour of the Transferor Companies under any contractual arrangements (including, without limitation, any shareholders agreements executed by the Transferor Companies) shall automatically stand transferred to and vested in and/ or shall be deemed to have been transferred to and vested in the Transferee Company and all benefits to which the Transferor Companies are entitled to shall be available to and vested in and/ or shall be deemed to have been available to and vested in the Transferee Company, as a successor-in-interest and the Transferee Company shall be entitled and obliged to deal with the same in place and stead of the Transferor Companies, as if the same were originally performed or conferred upon or given or issued to or executed in favour of the Transferee Company, and the rights and benefits under the same will be available to the Transferee Company, in each instance, without any further act or deed. The Transferee Company shall discharge all its obligation, including, in respect of the services to be performed/ provided or in respect of payment of service charges under any contractual arrangements, instead of the Transferor Companies.
- 13.4. The Transferee Company 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 the Transferee Company may require to own and operate the Undertaking.
- 13.5. The above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Companies on or before the Appointed Date, and after the Appointed Date till the Effective Date. The Transferee Company accepts and adopts all such acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself.

14. LEGAL PROCEEDINGS

- 14.1. Upon the Scheme becoming effective, all legal and other proceedings including before any statutory or quasi-judicial authority or tribunal of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date shall be continued and/or

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enforced by or against the Transferee Company only, to the exclusion of the Transferor Companies in the same manner and to the same extent as would have been continued and enforced by or against the Transferor Companies.

14.2. Further, the aforementioned proceedings shall not abate or be discontinued nor in any way be prejudicially affected by reason of merger of Transferor Companies with the Transferee Company or anything contained in the Scheme.

14.3. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Companies in the same manner and to the same extent as would or might have been initiated by the Transferor Companies.

15. STAFF, WORKMEN AND EMPLOYEES

15.1. On the Scheme coming into effect, all staff, workmen and employees (including those on sabbatical / maternity leave) of the Transferor Companies in service on the Effective Date shall stand transferred and vested and / or be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date without any break or interruption in their service and on the same terms and conditions as those applicable to them with reference to the Transferor Companies on the Effective Date.

15.2. It is expressly provided that, in so far as the gratuity fund, provident fund, super annuation fund or any other such or similar special funds, schemes, or plans, if any, created or existing for the benefit of the employees of the Transferor Companies (hereinafter referred as "Fund" or "Funds") is concerned, upon the Scheme coming into effect, the Transferor Companies shall be substituted by the Transferee Company 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 Fund or Funds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such Fund or Funds shall become those of the Transferee Company and all the rights, duties and benefits of the staff, workmen and employees of the Transferor Companies under such Fund or Funds 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 Transferor Companies will be treated as having been continuous for the purpose of the Fund or Funds and for other benefits such as long service awards.

15.3. In so far as the Fund or Funds created or existing for the benefit of the employees (including employee stock option schemes, if any) of the Transferor Companies are concerned, upon the coming into effect of this Scheme, balances lying in the accounts of the employees of the Transferor Companies in the Fund or Funds as on the Effective Date shall stand transferred

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from the respective Fund or Funds of the Transferor Companies to the corresponding fund or funds setup by the Transferee Company.

15.4. Stock options

- i. Employees of the Transferor Companies holding stock options ("**Options**") of the Transferor Companies ("**Eligible Employees**") as on the Effective Date under a stock option plan for Transferor Companies ("**Pre-merger ESOS Plan**"), shall continue to hold such Options on the respective existing terms and conditions, except for such modifications as may be required to give effect to this Clause 15.4.
- ii. Upon the Effective Date, the Transferee Company shall issue stock options in relation to Equity Shares of the Transferee Company ("**Cohance Options**") to the Eligible Employees, considering the Swap Ratio as per clause 7.1 as may be applicable. The terms and conditions applicable to the Cohance Options shall be no less favourable to the Eligible Employees than those provided under the Pre-merger ESOS Plan.

16. SAVING OF CONCLUDED TRANSACTIONS

- 16.1. Subject to the terms of this Scheme, the transfer and vesting of the properties, assets, liabilities and Undertaking of the Transferor Companies with Transferee Company above, the effectiveness of contracts and deeds under Clause 13 and the continuance of proceedings by or against the Transferor Companies under Clause 14 above of this Scheme shall not affect any transactions or proceedings or contracts or deeds already concluded by the Transferor Companies on or before the Appointed Date, or concluded after the Appointed Date till the Effective Date. The Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself.

17. BUSINESS AND PROPERTY IN TRUST FOR TRANSFEEE COMPANY

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

- 17.1. The Transferor Companies shall carry on and be deemed to have carried on their business and activities and shall stand possessed of whole of their Undertaking, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- 17.2. Any income or profit accruing or arising to the Transferor Companies and all costs, charges, expenses and losses (including brought forward losses, book losses, etc.) or taxes (including but not limited to advance tax, tax deducted at source, minimum alternative tax, credit, taxes withheld, etc.), incurred by the Transferor Companies shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the

For ZCL CHEMICALS LTD For Avra Laboratories Private Limited

B Manu madhup
DIRECTOR

B Manu madhup
Director

For Cohance Lifesciences Limited
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Director

Transferee Company and shall be available to the Transferee Company for being disposed of in any manner as it thinks fit.

PART III: GENERAL TERMS AND CONDITIONS

18. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

18.1. With effect from the Appointed Date and upto the Effective Date:

- a) The Transferor Companies shall carry on their business with reasonable diligence and in the same manner as they have been doing hitherto in normal course.
- b) The Transferor Companies shall carry on its business and activities with reasonable diligence, business prudence, and shall not without the prior consent in writing of any of the persons authorized by Board of Directors of the Transferee Company;
 - i. Sell, alienate, charge, mortgage, encumber, or otherwise deal with or dispose off the assets comprising the undertaking or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business.
 - ii. Nor shall undertake any new business or substantially expand its business.
- c) The Transferor Companies shall continue to comply with the provisions of the Act, including those relating to preparation, presentation, circulation and filing of accounts as and when they become due for compliance.
- d) The Transferor Companies shall not make any modification to its capital structure either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or re-organization, or in any other manner whatsoever, except by mutual consent of the Board of Directors of Transferor Companies and Transferee Company, as the case may be.

18.2. With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by the Transferor Companies.

19. DISSOLUTION OF THE TRANSFEROR COMPANIES WITHOUT WINDING UP

19.1. Pursuant to the Effective Date, the Transferor Companies shall, without any further act or deed, matter or thing, stand dissolved without winding up.

20. RATIFICATION OR VALIDITY OF EXISTING RESOLUTIONS

20.1. Upon coming into effect of this Scheme, the resolutions, if any, of Transferor Companies, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have

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DIRECTOR

For Ayra Laboratories Private Limited


Director

For Cohance Lifesciences Limited


Director

upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

- 20.2. Any corporate approvals obtained by the Transferor Companies, whether for purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

21. APPLICATION TO THE NCLT OR SUCH OTHER APPROPRIATE AUTHORITY

- 21.1. The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, make applications to the NCLT or such other appropriate authority under Sections 230 of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the shareholders and creditors of the Transferor Companies and the Transferee Company as may be directed by the NCLT or such other appropriate authority.

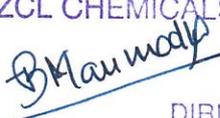
- 21.2. On the Scheme being agreed to by the requisite majorities of the classes of the shareholders and creditors (if required) of the Transferor Companies and the Transferee Company, whether at a meeting or otherwise, as prescribed under law and / or as directed by the NCLT or such other appropriate authority, the Transferor Companies and the Transferee Company shall, with all reasonable dispatch, apply to the NCLT or such other appropriate authority for sanctioning the Scheme under Sections 230 to 232 and other applicable provisions of the Act, and for such other order or orders, as the said NCLT or such other appropriate authority may deem fit for carrying this Scheme into effect and for dissolution of the Transferor Companies without winding-up.

22. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 22.1. The Transferor Companies and the Transferee Company, may consent, in accordance with their respective articles of association, to any modifications or amendments of this Scheme or to any conditions which the NCLT and/or any other authorities under law may deem fit to approve of or impose and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect, including but not limited to withdrawal of the Scheme, before the Scheme is approved by the NCLT.

- 22.2. For the removal of doubts, it is hereby clarified that withdrawal by any one or more of the Transferor Companies from the Scheme shall not prejudicially effect the implementation of the Scheme between the remaining Transferor Companies and the Transferee Company as if the party withdrawing from the Scheme was never a party to the Scheme in that behalf.

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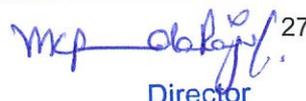
DIRECTOR

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Director

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Director

23. CONDITIONALITY OF THE SCHEME

23.1. The Scheme is and shall be conditional upon and subject to:

- a) The approval by the requisite majority both by number and value of the classes of shareholders of the Transferor Companies and the Transferee Company, as may be directed by NCLT;
- b) The sanction and order of the NCLT, under Sections 230 to 232 and other applicable provisions of the Act being obtained by the Transferor Companies and the Transferee Company; and
- c) Certified copy/(ies) of the order of the NCLT sanctioning the Scheme being filed with the ROC by the Transferor Companies and the Transferee Company.
- d) Such other sanctions and approvals including sanctions of any government or regulatory authority as may be required by law in respect of the Scheme.

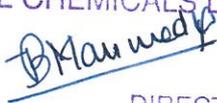
24. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS AND/OR REVOCATION OF THE SCHEME

24.1. In the event of necessary sanctions and approvals not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT and/or order or orders not being passed by such date as may be mutually agreed upon by the respective Board of Directors of the Transferor Companies and the Transferee Company, this Scheme shall stand revoked, cancelled and be of no effect.

24.2. In the event of revocation under Clause 24.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each of the Transferor Companies and the Transferee Company shall bear its own costs unless otherwise mutually agreed.

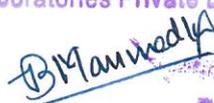
24.3. The Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to withdraw this Scheme any time prior to the Effective Date.

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DIRECTOR

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Director

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Director

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- 24.4. Further, the Board of Directors of the Transferor Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if the Board of Directors of the Transferor Companies and the Transferee Company are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have an adverse implication(s) on all or either of the Transferor Companies or the Transferee Company.
- 24.5. If any part of this Scheme hereof is invalid, ruled illegal by any NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Companies and the Transferee Company that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to either of the Transferor Companies and /or the Transferee Company, then in such case the Transferor Companies and the Transferee Company shall attempt to bring about a modification in the Scheme, in accordance with their respective articles of association, as will best preserve for the Transferor Companies and the Transferee Company the benefits and obligations of the Scheme, including but not limited to such part.

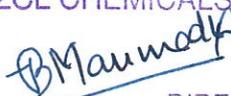
25. REMOVAL OF DIFFICULTIES

- 25.1. The Transferor Companies and the Transferee Company may, through mutual consent and acting through the respective Board of Directors, agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, whether by reason of any orders of the NCLT or any directives or orders of any Governmental Authorities or otherwise rising out of, under or by the virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith.

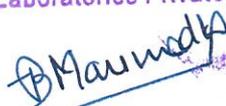
26. COSTS, CHARGES AND EXPENSES

- 26.1. All costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges but excluding stamp duty) of / payable by the Transferor Companies and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the Amalgamation in pursuance of this Scheme shall be borne and paid as mutually agreed between the Transferor Companies and the Transferee Company. The stamp duty charges shall be borne and paid by the Transferee Company.

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DIRECTOR

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Director

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Director

SCHEDULE 1 – DETAILS OF IMMOVABLE PROPERTIES OF TRANSFEROR COMPANIES

a) Immovable properties belonging to Transferor Company 1 – ZCL Chemicals Limited

SN	Description of Property	Registration Details
1	Office Premises at Mumbai The Office Premises being no. 819 admeasuring 956 sq ft of carpet area on 8 th Floor, C Wing, of the building known as "215 Atrium", constructed on all that piece and parcel of land bearing CTS No 215-A of village Mulgaon, Taluka Andheri at MV Road (Andheri-Kurla Road), Chakala, Andheri East, Mumbai 400059	Registered vide Sale Deed dated 19 th January, 2015 at the office of the joint sub-registrar Andheri No. 2 on 19 th January, 2015 vide registration no 549
2	Office Premises at Mumbai The Office Premises being no. 820 admeasuring 978 sq ft of carpet area on 8 th Floor, C Wing, of the building known as "215 Atrium", constructed on all that piece and parcel of land bearing CTS No 215-A of village Mulgaon, Taluka Andheri at MV Road (Andheri-Kurla Road), Chakala, Andheri East, Mumbai 400059	Registered vide Sale Deed dated 19 th January, 2015 at the office of the joint sub-registrar Andheri No. 2 on 19 th January, 2015 vide registration no 549
3	Office Premises at Mumbai The Office Premises being no. 821 admeasuring 851 sq ft of carpet area on 8 th Floor, C Wing, of the building known as "215 Atrium", constructed on all that piece and parcel of land bearing CTS No 215-A of village Mulgaon, Taluka Andheri at MV Road (Andheri-Kurla Road), Chakala, Andheri East, Mumbai 400059	Registered vide Sale Deed dated 19 th January, 2015 at the office of the joint sub-registrar Andheri No. 2 on 19 th January, 2015 vide registration no 550
4	The Office Premises being 819, 820 and 821 and additional area admeasuring 125 sq ft of carpet area on 8 th Floor, C Wing, of the building known as "215 Atrium", constructed on all that piece and parcel of land bearing CTS No 215-A of village Mulgaon, Taluka Andheri at MV Road (Andheri-Kurla Road), Chakala, Andheri East, Mumbai 400059	Registered vide Sale Deed dated 19 th January, 2015 at the office of the joint sub-registrar Andheri No. 2 on 19 th January, 2015 vide registration no 549
5	Leasehold Industrial Land at Ankleshwar All that piece of land known as Plot No 3102/B-1 in the Ankleshwar Notified Area consisting of Revenue Survey Nos 127/A, 127/B, 128, 128/1, 128/2, 130/2 within the village limits of Gadhkol, Taluka Ankleshwar, Dist Bharuch, Gujarat, India, Pin: 393002 containing by admeasurement 4500 sq mtr or thereabout and bounded as follows: On or towards the North by plot no 3102/C On or towards the South by plot no 3102/A On or towards the East by plot no 30.0 mtr wide road On or towards the West by plot no 3101	Registered vide Lease Deed dated 29 th May, 1992 at the office of the sub-registrar of Ankleshwar on 29 th May, 1992 vide registration no 1715
6	Industrial Factory Building constructed on All that piece of land known as Plot No 3102/B-1 in the Ankleshwar Notified Area consisting of Revenue Survey Nos 127/A, 127/B, 128, 128/1, 128/2, 130/2 within the village limits of Gadhkol, Taluka Ankleshwar, Dist Bharuch, Gujarat, India, Pin: 393002 containing by admeasurement 4500 sq mtr or thereabout and bounded as follows: On or towards the North by plot no 3102/C	

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DIRECTOR

For Avra Laboratories Private Limited

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Director

For Cohance Lifesciences Limited

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On or towards the South by plot no 3102/A On or towards the East by plot no 30.0 mtr wide road On or towards the West by plot no 3101

b) Immovable properties belonging to Transferor Company 2 – Avra Laboratories Private Limited

SN	Description of Property	Registration Details
1	All that part and parcel of plot no. 48 admeasuring 20.39 Acres, 82514.77 sq. mtrs, situated at survey no. 25P, 26P, 33P, 34P, 35P, 56P, 57,58P, 59P, 60P of E. Bonangi Revenue Village, Parwada Mandal, Visakhapatnam District, Andhra Pradesh and bounded by: East: 30 M wide road West: Plot no. 47 North: 22 M wide road South: 30 M wide road	Registered vide Sale Deed dated 16 th December 2014 at the office of the joint sub-registrar Lankelapalem vide registration no 3519/2014
2	All that piece and parcel of property being at plot no. A-21, Road no 10, IDA Nacharam Village, Kapra Municipality, Revenue Mandal Uppal, R R District, admeasuring 6.00 Acres and bounded by: North: Hyderabad Steel Merchants Association and 40 ft road South: J&J Dechane East: 40 ft wide road West: 40 ft wide road	Registered vide sale deed dated 25 th November 2002 at the office of the Sub-Registrar Uppal vide registration no. 10638/2002 of 25 th November 2002.
3	All that site measuring 31 Sq. yds or 25.92 Sq. Mts being undivided and unspecified share out of the total extent of 548.49 Sq. yds along with a residential flat bearing flat no. 3 with a plinth area of 900 Sft (including common areas and balconies) bearing Door No. 31-10-2/6, Asst No. 108820685 in the First Floor along with car parking measuring 80 Sft in the cellar of Sai Jyothi Residency covered by S. No. 124/9, 124/11 of Kurmannapalem Village, situated in Kurmannapalem area within the limits of greater Visakhapatnam Municipal Corporation, in the registration sub district of Gajuwaka bounded as follows: East: 40 Feet Road South: Site belongs to V.S. Bhaskara Rao and Chandra Raju West: Site belongs to K. Durga Prasada & C.H. Krishna Rao North: Site belongs to N.V. Subrahmanyam after that site sold by Subba Raju Boundaries of Flat East: Common corridor & staircase South: Open Space West: Open Space North: Flat No. 2	Registered vide sale deed dated 21 st November 2009 document registration no. 2754 of 2009 at Sub-Registrar, Gajuwaka

For ZCL CHEMICALS LTD.

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DIRECTOR

For Avra Laboratories Private Limited

B. Manmadh
Director

For Cohance Lifesciences Limited

M. P. de la
Director