

IN THE HIGH COURT OF JUDICATURE AT MADRAS

(ORIGINAL JURISDICTION)

Monday, the 14<sup>th</sup> day of March, 2011.

THE HON'BLE MR. JUSTICE VINOD K. SHARMA

COMP. PETN. Nos. 41 and 42 OF 2011

In the matter of Companies Act, 1956 (1 of 1956)

In the matter of sections 397 and 394 of the said Act, 1956

In the matter of scheme of Arrangement (Demerger)

Between

Chemfab Alkalies Limited and Titanium Equipment and Anode  
Manufacturing Company Limited.

C.P. No. 41 of 2011:

Chemfab Alkalies Limited,  
a Company incorporated under the  
Companies Act, 1956, and having its  
Registered Office at "Team House",  
GST Salai, Vandalur, Chennai 600 048,  
Represented by C.S. Ramesh, Director.

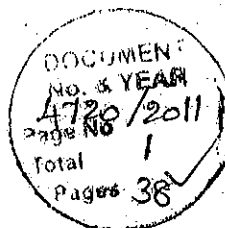
.. Petitioner/  
Demerged Company

This Company Petition praying this Court that the  
scheme of Arrangement (Demerger) between Chemfab Alkalies  
Limited and Titanium Equipment and Anode Manufacturing  
Company Limited, be sanctioned by the High Court with  
effect from 1.12.2010 so as to be binding on all the  
shareholders and creditors of the Petitioner Company,  
namely, Chemfab Alkalies Limited and on the said Petitioner  
Company.

C.P. No. 42 of 2011:

Titanium Equipment and Anode  
Manufacturing Company Limited,  
a Company incorporated under the Companies  
Act, 1956 and having its Registered Office at  
at "Team House", GST Salai, Vandalur,  
Chennai 600 048, represented by  
C.S. Ramesh, Authorised Signatory.

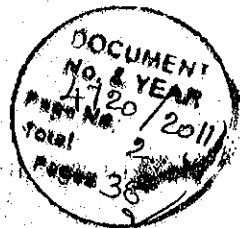
.. Petitioner/  
Resulting Company



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Presented in the office of this  
Sub Registrar of Guduvanchery  
and fee of Rs. 15/- Paid Between  
the hours of 11.12 the  
**LEFT THUMB** 5 MAY 2011



S/o C.R. Sundar Rao, Team House  
138th Row, Vandalur, Chennai 600 048

Execution Admitted by  
**LEFT THUMB**

Additions as per the recitals of this Document

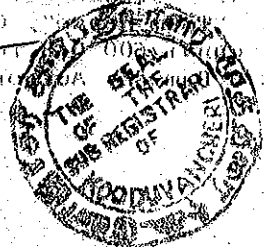
Identified by

1. L. Ramnathan (K. RAVINDRAN S/o Sri Late V.K. CHAN  
TEAM HOUSE, 138th ROW, VANDALUR, CHENNAI - 600 048

2. T.S.N. 77 - (T.S. NAGARATHAN) S/o T.A. Subramanian  
No. 8, M.S. Naidub, Chennai 47

5 MAY 2011 SUB REGISTRAR  
GUDUVANCHERY

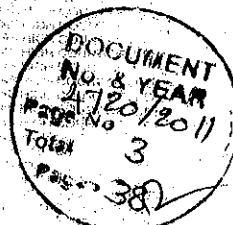
REGISTERED AS NO. 4720  
OF 2011, BOOK - 11  
DATE 5 MAY 2011  
SUB REGISTRAR



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This Company Petition praying this Court that the scheme of Arrangement (Demerger) between Chemfab Alkalies Limited and Titanium Equipment and Anode Manufacturing Company Limited, be sanctioned by the High Court with effect from 1.12.2010 so as to be binding on all the shareholders and creditors of the Petitioner Company, namely, Titanium Equipment and Anode Manufacturing Company Limited and on the said Petitioner Company.

These Company Petitions coming on this day before this Court for hearing in the presence of Mr.P.H.Arvindh Pandian, Advocate for the Petitioners in both the Company Petition Nos.41 and 42/2011, and Mr.C.V.Ramachandramurthy, Additional Central Government Standing Counsel appearing for the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai, and upon reading the order dated 23.12.2010 and made in C.A.No.1938 of 2010 whereby the said company Chemfab Alkalies Limited the petitioner company in C.E.No.41 of 2011 herein was directed to convene a meeting of the equity shareholders of the above named company for the purpose of considering and if thought fit approving with or without modification of the proposed scheme of arrangement between Chemfab Alkalies Limited and Titanium Equipment and Anode Manufacturing Company Limited and the advertisement having been made in one issue of English Daily, "The Hindu Business Line" (All India Edition), dated 5.1.2011, and another issue of Tamil Daily "Malai Murali", (Tamil Nadu Edition) dated 5.1.2011, each containing the advertisement of the said meeting and the report of the chairman of the said meeting as to the result of the meeting and report as the scheme of Arrangement had been approved by the requisite majority without any modification, and upon reading the Company Petition Nos.41 and 42/2011, and the affidavit of K.Pandian, Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai



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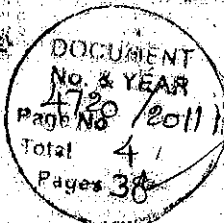
and the advertisement of the company petition having been made in one issue of English Daily "The Hindu Business Line" (All India Edition) dated 22.2.2011, and also in one issue of Tamil Daily "Malai Murasu" (Tamil Nadu Edition) dated 22.2.2011, and made in C.P.No.41 of 2011, and the advertisement of the company petition having been made in one issue of English Daily "The Hindu Business Line" Chennai Edition) dated 22.2.2011, and also in one issue of Tamil Daily "Malai Murasu" (Chennai Edition) dated 22.2.2011, and made in C.P.No.42 of 2011, and this Court having dispensed with the convening, holding and conducting of the meeting of the equity shareholders of the Applicant company by an order dated 23.12.2010 and made in C.A.Nos.1939 of 2010, and this Court doth hereby sanction the Scheme of Arrangement (Demerger) annexed hereunder with effect from 1<sup>st</sup> December 2010 and declare the same to be binding on all the shareholders and creditors of the said companies, and the said companies, THIS COURT DOTH FURTHER ORDER AS FOLLOWS:-

(1) That, the Petitioner Companies herein do file with the Registrar of Companies, Chennai, a certified copy of the order within 30 days from this date.

(2) That, the parties to the Scheme of Arrangement (Demerger) or any other person interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to carrying out this Scheme of Arrangement (Demerger) annexed hereunder.

(4) That the remuneration to the Additional Central Government standing Counsel be and is hereby fixed at Rs.2,500/- (Rupees two thousand and five hundred only) for each petition to be paid by the petitioner companies.

ANNEXURE



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SCHEME OF ARRANGEMENT (DEMERGER)

BETWEEN

CHEMFAB ALKALIS LIMITED (CAL)

(Demerged Company)

AND

TITANIUM EQUIPMENT AND ANODE MANUFACTURING COMPANY LIMITED (TEAM)

(Resulting Company)

And

THEIR RESPECTIVE SHAREHOLDERS

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PART 1

**PREAMBLE**

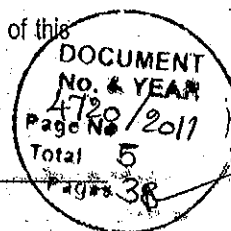
1.1 This Scheme is divided into the following parts:

- (i) Part 1, which contains the Preamble to the Scheme;
- (ii) Part 2, which contains General Definitions and Share Capital;
- (iii) Part 3, which relates to demerger of the Demerged Undertaking (as defined hereunder) to the Resulting Company, as a going concern.
- (iv) Part 4, which deals with the consideration for the demerger by way of issue of preference shares to the Demerged Company and the accounting treatment in the books of the Demerged Company and the Resulting Company;
- (v) Part 5, which deals with the Remaining Business and
- (vi) Part 6, which deals with the General Terms and Conditions of this Scheme.

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for TITANIUM EQUIPMENT AND  
ANODE MANUFACTURING CO. LTD

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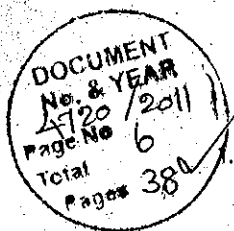


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1.2 CHEMFAB ALKALIS LIMITED (hereinafter referred to as CAL), the corporate particulars in respect of which are given in clause 2.1(d) of Part 2 hereof, has been engaged in the business of manufacture of heavy chemicals, Hollow Fiber Ultra Filtration Membranes, Packaged Drinking and Energy Water and a trading activity in the name of Health Shoppe.

1.3 TITANIUM EQUIPMENT AND ANODE MANUFACTURING COMPANY LIMITED (hereinafter referred to as TEAM), the corporate particulars in respect of which are given in clause 2.1(h) of Part 2 hereof, has been engaged in the business of design and manufacture of process equipment, metal anodes and purification and sale of packaged drinking water holding the trade mark "TEAM Water."

1.4 This Scheme of Arrangement (hereinafter referred to as the "Scheme") provides for the transfer and vesting of the Demerged Undertaking (as defined hereinafter) of the Demerged Company in the Resulting Company and consequent issue of preference shares by the Resulting Company to the Demerged Company pursuant to the relevant provisions of the Act (as hereinafter defined).



1.5 CAL (hereinafter referred to as "Demerged Company") is engaged in diverse businesses of manufacture of heavy chemicals, and through its Chennai Division (the Demerged Undertaking), in the manufacture of Hollow Fiber Ultra Filtration Membranes, Packaged Drinking and Energy Water, a trading activity in the name of Health Shoppe. The Demerged Undertaking was acquired by the Demerged Company in the year 2005 - 06, with the belief that it could be a valuable addition

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to the portfolio of the Demerged Company's activities. Experience, however, has been that the nature of the two businesses is materially different in many respects including the fact that the Demerged Undertaking's scientific and research orientation requires involvement of scientific personnel whose job requirements as also approach to work are different from those that go with an activity of manufacturing an industrial chemical. It is, therefore, thought appropriate that the said undertaking be demerged, so as to retain the remaining business with it which can be carried on with optimum benefits for all concerned.

## PART 2

### 2.1 DEFINITIONS

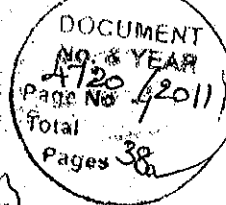
In this Scheme, unless repugnant to or inconsistent with the meaning or context thereof, the following expressions shall have the meanings as ascribed to them:

- (a) "Act" means the Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof from time to time;
- (b) "Appointed Date" for the purpose of Part 3 of this Scheme, means the 1<sup>st</sup> day of December 2010 or such other date as may be approved by the Hon'ble High Court of Judicature at Madras;
- (c) "Court" means the Hon'ble High Court of Judicature at Madras or such other Court/ Tribunal empowered to sanction the Scheme as per the provisions of the Act;

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For THE HON'BLE JUDGE, JUDGE A  
AND THE HON'BLE JUDGE, JUDGE B

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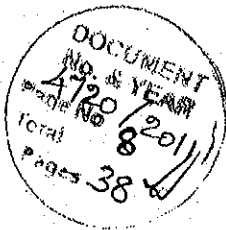


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(d) "Demerged Company or CAL" means Chemfab Alkalis Limited, a listed company incorporated on 16th June 1983 under the provisions of the Companies, Act, 1956, having its registered office at Team House, GST Salai, Vandalur, Chennai 600 048;

(e) "Demerged Undertaking" or "Undertaking" means and includes all the operations and activities pertaining to the business of Hollow Fiber Ultra Filtration Membranes, Packaged Drinking and Energy Water, a Health Shoppe into the trading of health related products carried out by the Demerged Company in Chennai, which shall include (without limitation) items set out in Schedule I and shall mean and include (without limitation):

- (i) All assets wherever situated, whether moveable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present, accruing or contingent including all leases, licenses, lands, buildings, structures, improvements, easements, plant and machinery, electricals, offices, vehicles, capital work-in-progress, furniture, fixtures, office equipment, appliances, accessories, stock-in-trade, debtors, receivables, reserves, provisions, funds, cash and bank balances of the Demerged Company pertaining or relating to the Demerged Undertaking;



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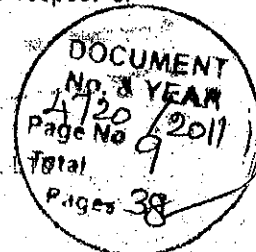
(II) All lease rights, permits, quota rights, municipal permissions, registrations, authorizations, consents, industrial and other licenses, tenders, bids, offers, allotment letters, allocation letters and other approvals including government, statutory, regulatory approval received, applied for by and/ or granted to, enjoyed by or otherwise subsisting in favour of the Demerged Company and pertaining to the Demerged Undertaking;

(III) All trademarks, patents, inventions, other intellectual property rights and other intangibles and all the privileges and benefits of all contracts, agreements and arrangements, and all other rights, licenses, connections for water, telephone, facsimile or other modes of communication, electricity and drainage, sanctions, product registrations, entitlements, allotments, interests, benefits, allocations, exemptions, concessions, remissions, subsidies, tax deferrals, privileges, easements and advantages, powers and facilities of every kind, nature and description whatsoever pertaining to the Demerged Undertaking;

(IV) Benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the rights, title, interest, goodwill, benefit and advantage, benefits of all agreements, subsidies, grants, tax credits including but not limited to credits in respect of

For TITANIUM EQUIPMENT AND  
ANODE MANUFACTURING CO.

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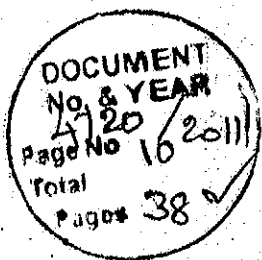
income tax, sales tax, value added tax, turnover tax, service tax, fringe benefit tax, minimum alternate tax, right to claim credit in respect of all advance taxes, tax deducted at source, tax collected at source, as per the provisions of the Income-tax Act, 1961 and other claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour or enjoyed by or relating to the Demerged Undertaking;

- (v) All records, files, papers, engineering, technical and process information, computer programmes, drawings, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information and other records, whether in physical or in electronic form in connection with or relating to the Demerged Undertaking;

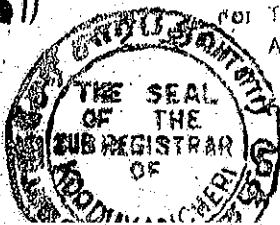
- (vi) The Specified Employees relating to the Demerged Undertaking;

- (vii) All advances and/or earnest monies and/or security deposits paid by the Demerged Company in connection with or relating to the Demerged Undertaking and

- (viii) All debts, liabilities, duties and obligations appertaining or allocated to the Demerged Undertaking as on the Appointed Date;



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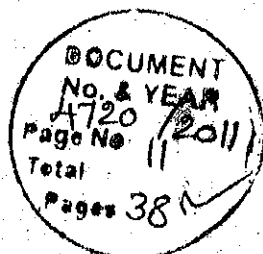
(f) "Effective Date" means the date or last of the dates on which the certified copies of the Order of the Court sanctioning this Scheme is filed with Registrar of Companies, Tamil Nadu, Chennai, by the Demerged and the Resulting Companies. References in this Scheme to 'upon the Scheme becoming effective' or 'effectiveness of the Scheme' shall mean 'Effective Date';

(g) "Remaining Business of CAL" means all the businesses of the Demerged Company other than the Demerged Undertaking transferred to, and vested in, TEAM pursuant to Part 3 of this Scheme;

(h) "Resulting Company or TEAM" for the purpose of the Scheme, means Titanium Equipment and Anode Manufacturing Company Limited, a company incorporated on 25<sup>th</sup> October 1975 under the provisions of the Companies, Act, 1956 and having its registered office at Team House, GST Salai, Vandalur, Chennai 600 048;

(i) "Specified Employees" means those permanent employees of the Demerged Company, employed as on the Appointed Date and engaged wholly or substantially in or in relation to the Demerged Undertaking, as identified in Schedule II;

(j) "The Scheme" or "this Scheme" or "The Scheme" means this Scheme of Arrangement in its present form or with any modifications (s) approved or imposed or directed by the Court and



FOR THE REGISTRAR OF COMPANIES AND

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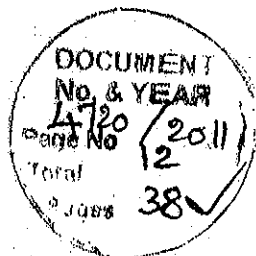
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(k) All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules and regulations, as the case may be,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

## 2.2 SHARE CAPITAL

(a) The Authorised, Issued, Subscribed and Paid-up Share Capital of the Demerged Company as on November 30, 2010 is as under:

As at 30 <sup>th</sup> November, 2010	
	Rs.
<b>AUTHORISED</b>	
3,20,00,000 Equity Shares of Rs.5/- each	16,00,00,000
51,00,000 Equity Shares of Rs.10/- each	5,10,00,000
	<b>21,10,00,000</b>
4,000, 11% Redeemable Cumulative Preference Shares of Rs 100/- each	400,000
<b>TOTAL</b>	<b>21,14,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>	
91,71,697 Equity Shares of Rs.5/- each	4,58,58,485
<b>TOTAL</b>	<b>4,58,58,485</b>



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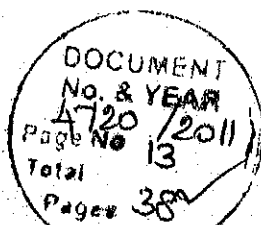
(b) The Authorised, Issued, Subscribed and Paid-up Share Capital of the Resulting Company as on November 30, 2010:

As at 30 <sup>th</sup> November, 2010	
	Rs.
<b>AUTHORISED</b>	
20,00,000 Equity Shares of Rs.10/- each	2,00,00,000
2,00,000, 6% Redeemable Cumulative Preference Shares of Rs.100/-each	2,00,00,000
<b>TOTAL</b>	<b>4,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>	
2,46,783 Equity Shares of Rs. 10/- each	24,67,830
<b>TOTAL</b>	<b>24,67,830</b>

### PART 3

#### 3 TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING OF CAL IN TEAM

- 3.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking of CAL comprising all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Sections 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed, shall stand transferred to and vested in or be deemed to be transferred to, and vested in, TEAM as a going concern so as to become, as and from the Appointed Date, the assets and



FOR TITANIUM EQUIPMENT AND  
ANODE MANUFACTURING CO. LTD.

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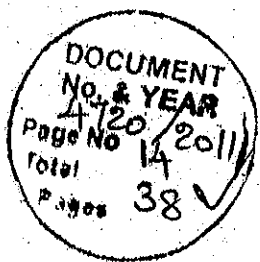
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liabilities of TEAM and there shall be vested in TEAM all the rights, titles, interests or obligations of the said Division therein and shall be free from all encumbrances.

3.2 (a) All the movables including cash in hand, if any, of the Demerged Undertaking capable of passing by manual delivery, shall be so delivered or endorsed as the case may be, to the Resulting Company;

3.2 (b) In respect of movables of the Demerged Undertaking other than those specified in sub-clause (a) 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, semi-government, local and other authorities and bodies and customers and other persons pertaining to the Demerged Undertaking, the following modus operandi for intimating to third parties shall to the extent possible be followed:

- (i) The Demerged Company may give notice in such form as it may deem fit and proper, to each person, party, debtor, loanee or depositor as the case may be, belonging to or related to the Demerged Undertaking, that pursuant to the Court having sanctioned the Scheme, the said debt, loan, advances, bank balances or deposits be paid or made good or held on account of the Resulting Company as the person entitled thereto to the end and intent that the right of the Demerged Company to recover or realise the same stands extinguished and that





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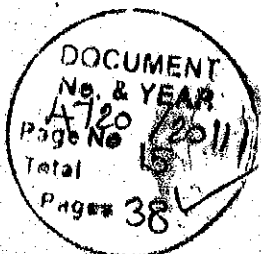
appropriate entries should be passed in its books to record the aforesaid change.

- (ii) The Resulting Company may also give notice in such form as it may deem fit and proper to each person, debtor, loanee or depositor, as the case may be, belonging to or related to the Demerged Undertaking, that pursuant to the Court having sanctioned the Scheme, the said debt, loan or deposit be paid or made good or held on account of the Resulting Company and that the right of the Demerged Company to recover or realize the same stands extinguished.

3.2 (c) In relation to other assets belonging to Demerged Undertaking, which require separate documents for transfer, or which the Demerged Company and/or the Resulting Company otherwise desire to be transferred separately, the Demerged Company and the Resulting Company each will execute such deeds, documents or such other instruments or writings or create evidence, if any, as may be necessary.

#### Transfer of Debts & Liabilities

3.3 (a) With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description attributable to the Demerged Undertaking of CAL shall, without any further act or deed, be transferred to, or be deemed to be



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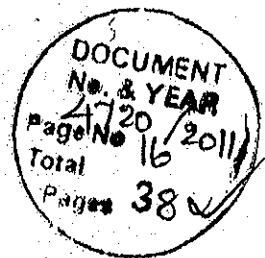
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transferred to, TEAM so as to become and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of TEAM and TEAM undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

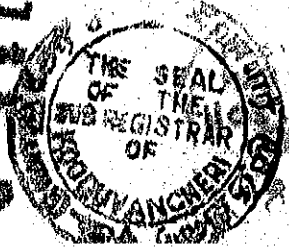
(b) Where any of the liabilities and obligations attributed to the Demerged Undertaking of CAL on the Appointed Date have been discharged by CAL on behalf of the Demerged Undertaking after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf and account of TEAM.

(c) All liabilities and obligations attributed to the Demerged Undertaking of CAL, including its unsecured loans taken over by TEAM may be discharged by TEAM by way of one time settlement or in any other manner as TEAM may deem fit.

3.4 All loans raised and used, and liabilities incurred, by CAL after the Appointed Date, but prior to the Effective Date, for the operations of the Demerged Undertaking shall be discharged by TEAM.



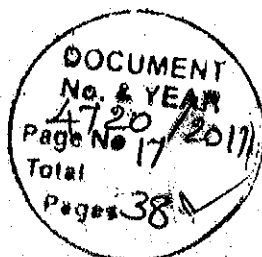
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3.5 The transfer and vesting of the Demerged Undertaking as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Demerged Undertaking, provided, however that any reference in any security documents or arrangements, to which CAL 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 TEAM by virtue of this Scheme, to the end and intent that such security, charge, hypothecation and mortgage shall not extend or be deemed to extend, to any of the other assets of CAL or any of the assets of TEAM, provided further that the securities, charges, hypothecation and mortgages (if any, subsisting) over and in respect of the assets or any part thereof of TEAM shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Demerged Undertaking vested in TEAM, provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by CAL in relation to the Demerged Undertaking which shall vest in TEAM by virtue of the vesting of the Demerged Undertaking with TEAM and TEAM shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

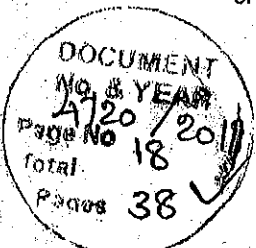


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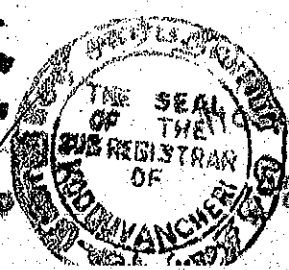
3.6. All the loans, advances and other facilities sanctioned to CAL in relation to the Demerged Undertaking by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to TEAM and the said loans and advances shall be drawn and utilized either partly or fully by CAL from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by TEAM in relation to the Demerged Undertaking (within the over all limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to TEAM and all the obligations of CAL in relation to the Demerged Undertaking under any loan agreement shall be construed and shall become the obligation of TEAM without any further act or deed on the part of TEAM.

### Contracts, Deeds, Bonds and Other Instruments

3.7 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature in relation to the Demerged Undertaking of CAL, or to the benefit of which the Demerged Undertaking of CAL may be eligible, and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of TEAM, as the case may be, and may be enforced by or against TEAM as fully and effectually as if, instead of CAL, TEAM had been a party thereto.



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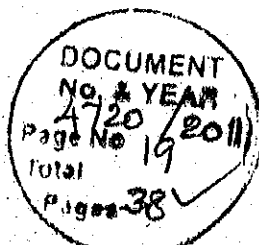
For the said company and  
AND ALL THE DEBTS TO IT.

Authorized Signatory

3.8 With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses, registrations, trademarks, patents, copy rights, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government body, local authority or by any other person) of every kind and description of whatsoever nature in relation to the Demerged Undertaking of CAL, or to the benefit of which the Demerged Undertaking of CAL may be eligible, or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against TEAM, as the case may be, and may be enforced fully and effectually as if, instead of CAL, TEAM had been a beneficiary or obligor thereto.

3.9 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking of CAL shall stand vested in or transferred to TEAM without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of TEAM. The benefit of all such statutory and regulatory permissions, licenses, approvals and consents including statutory licenses, approvals, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking of CAL shall vest in and become available to the Resulting Company pursuant to the Scheme.

FOR TITANIUM EQUIPMENT AND  
ANODE MANUFACTURING CO. LTD



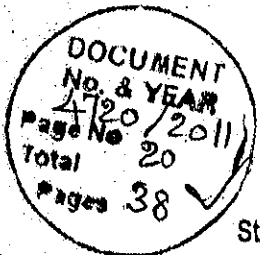
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3.10 TEAM shall enter into and/or issue and / or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the Demerged Undertaking of CAL will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.

### Continuation of Legal Proceedings

3.11 All legal or other proceedings initiated by or against CAL in respect of the Demerged Undertaking and pending on the effective date, shall be continue to be prosecuted and enforced by CAL. CAL also undertakes to deal with all legal or other proceedings which may be initiated by or against CAL with respect to the Demerged Undertaking and CAL further undertakes to pay all amounts including legal expenses, interest, penalties, damages, etc., which CAL may be called upon to pay or secure in respect of any liability or obligation relating to the Demerged Undertaking, in future.



### Staff, Workmen and Employees of Demerged Undertaking

3.12 Upon the Scheme becoming effective, all the staff, workmen and other employees engaged in the Demerged Undertaking of CAL immediately before Effective Date shall become the staff, workmen and employees of TEAM on the basis that :

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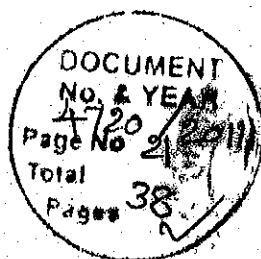
For THE TEAM EQUIPMENT AND  
ANCHAL MANUFACTURING CO. LTD

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- a) Their service shall have been continuous and shall not have been interrupted by reason of the demerger;
- b) The terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer ; and
- c) It is expressly provided that as far as Provident Fund, Gratuity Fund, Super Annuation Fund or any other Special Fund created or existing for the benefit of the staff, workmen and the employees of the Demerged Undertaking of CAL are concerned, upon the Scheme becoming effective, TEAM shall stand substituted for CAL for all purposes whatsoever related to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions of such Funds as per the terms provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers and obligations of CAL in relation to such funds shall become those of TEAM and all the rights, duties and benefits of the employees employed in the Demerged Undertaking of CAL under such Funds and Trusts shall be protected. It is clarified that the services of the employees of the Demerged Undertaking of CAL will also be treated as having been continuous for the purpose of the aforesaid Funds.



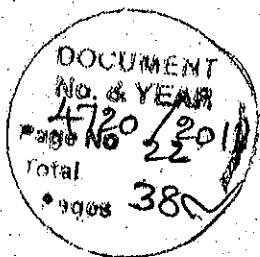
for TEAMER COMPANY LTD  
AND  
AND  
AND

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- 48 -  
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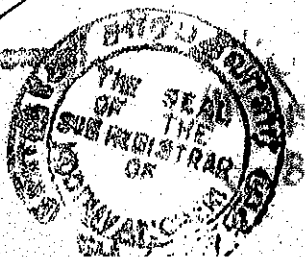
3.13 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorizations in relation to the Demerged Undertaking of CAL, shall stand transferred by the order of the Court to TEAM, TEAM shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting order of the Court.

3.14 For the purpose of giving effect to the vesting order passed under Sections 391 and 394 of the Act in respect of this Scheme, TEAM shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title and appurtenant legal right(s) upon the vesting of such assets of the Demerged Undertaking of CAL in TEAM in accordance with the provisions of Sections 391 and 394 of the Act. Upon the Scheme becoming effective and with effect from the Appointed Date, the filing of certified copies of the order of Court sanctioning this Scheme shall constitute a creation / modification of charge in the name of TEAM in accordance with the provisions of Section 127 of the Act and satisfaction of charge in respect of CAL in accordance with Section 138 of the Act, if there are any existing charges attaching to the Demerged Undertaking.



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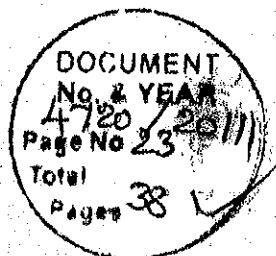
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3.15 With effect from the Appointed Date and up to and including the Effective Date:

- (a) CAL shall carry on and be deemed to have carried on its business and activities relating to the Demerged Undertaking and shall stand possessed of all its assets and properties referred to above, in trust for TEAM and shall account for the same to TEAM. CAL shall hold the said assets with utmost prudence until the Effective Date.
- (b) Any income or profit accruing or arising to CAL and all costs, charges, expenses and losses or taxes incurred by CAL relating to the Demerged Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of TEAM and shall be available to TEAM for being disposed off in any manner as it thinks fit.
- (c) CAL shall carry on its business activities to the Demerged Undertaking with reasonable diligence and business prudence. CAL shall not undertake any additional financial commitments, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries, or sell, transfer, alienate, charge, mortgage or encumber or deal with the undertaking save and except with the prior consent of TEAM.



For

By

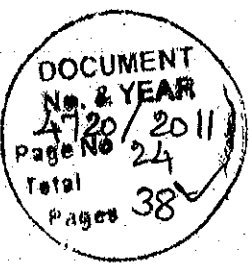
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- (d) Pending sanction of the Scheme, CAL shall not make any change in its capital structure either by any increase (by issue of equity shares on a rights basis, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner except by mutual consent of the respective Boards of Directors of CAL and TEAM or as may be expressly permitted under this Scheme or as may be required to give effect to the Scheme.

#### PART 4

#### CONSIDERATION

4. In consideration for the transfer of the Demerged Undertaking and consequent vesting thereof into the Resulting Company, the Resulting Company shall allot to the Demerged Company 1,66,465 (One Lakh Sixty Six Thousand Four Hundred and Sixty Five Only) 6% Redeemable Cumulative Preference Shares of the face value of Rs. 100 each at par in the capital of the Resulting Company, redeemable at par at any time before the expiry of three months from the date of allotment. There shall be no reduction of share capital of the Demerged Company under this Scheme.



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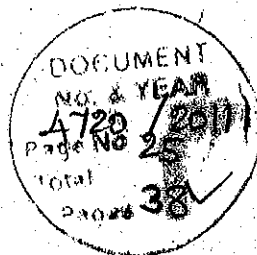
## ACCOUNTING TREATMENT

4.1 Upon the Scheme coming into effect, the following shall be the accounting treatment in accordance with the generally accepted accounting principles given to the vesting of the Demerged Undertaking in the Resulting Company and the allotment of shares to the Demerged Company in terms of Clause 4 of the Scheme and other related aspects;

4.2 The Resulting Company shall deal with the foregoing issues in so far as they are relevant to it as under:-

4.2.1 The assets (including tangible and intangible assets) and liabilities comprised in the Demerged Undertaking that are the subject matter of vesting in the Resulting Company under the Scheme shall be recorded in the books of the Resulting Company at their fair value, to ensure that such assets and liabilities reflect their correct value in terms of their future usage, obsolescence, revenue and cash generating capabilities and accounting principles of conservatism.

4.2.2 The amount representing goodwill shall be appropriately valued so that the aggregate of the value of assets is equal to the gross consideration pursuant to clause 4.



4.2.3 Such recording of the assets at their fair value shall be in accordance with the recommendations of financial consultants to be appointed by the Resulting Company.

4.2.4 Any difference arising between the book values and the redemption values at the time of repayment of any of the liabilities taken over from CAL, including its unsecured loans, pursuant to this Scheme shall be credited to the Profit and Loss Account of TEAM.

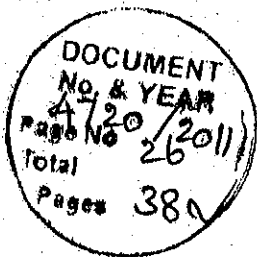
4.3 The Demerged Company shall record the foregoing vesting of the Demerged Undertaking etc., pursuant to the Scheme as under:

4.3.1 The book values of the assets and liabilities comprised in the Demerged Undertaking as on the Appointed Date shall be reduced from its respective assets and liabilities.

4.3.2 The Investments made in the Preference Share Capital of the Resulting Company will be debited to Investments in Shares in the books of the Demerged Company at their face value.

4.3.3 The excess of the face value of preference shares to be allotted under the Scheme over the difference between the value of the assets and liabilities of the Demerged Undertaking shall be credited to the Profit

and Loss Account of the Demerged Company.



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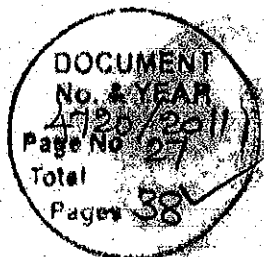
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PART 5

**REMAINING BUSINESS**

- 5.1. The Remaining Business shall continue to belong to and be vested in and be managed by the Demerged Company. With effect from the Appointed Date:
- 5.2. The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- 5.3. All profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be of the Demerged Company; and
- 5.4. All assets and properties acquired by the Demerged Company in relation to the Remaining Business on or after the Appointed Date shall belong to and continue to remain vested in the Demerged Company.

for TITANIUM EQUIPMENT AND  
ANODE MANUFACTURING CO. LTD.

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**PART 6**

**GENERAL TERMS AND CONDITIONS APPLICABLE TO ENTIRE SCHEME**

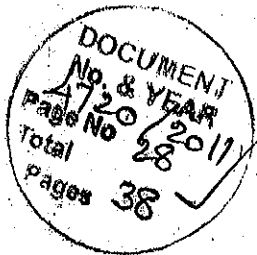
6. TEAM is expressly permitted to revise its Income Tax returns and VAT Returns and related TDS certificates and the right to claim refund, advance tax credits etc, upon this Scheme becoming effective and has expressly reserved the right to make such revisions in the Income Tax returns and related TDS certificates and the right to claim refund, advance tax credits etc., pursuant to the sanction of this Scheme.

**Operative Date of the Scheme**

7. The Scheme shall be operative with effect from the Appointed Date i.e. commencement of business on 1<sup>st</sup> December 2010 but shall be effective from the Effective Date.

**Application to Court**

- 8.1. The Demerged Company and the Resulting Company, with all reasonable dispatch, make applications to the Court under Section 391 of the Act, seeking orders for dispensing with or convening as the case may be, the holding and conducting of the meetings of the respective classes of the members and/or



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For TITANIUM EQUIPMENT & ANODE MANUFACTURING CO. LTD



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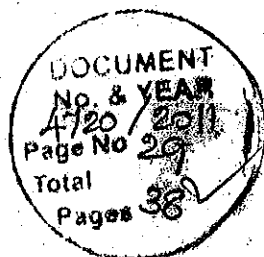
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creditors of the Demerged Company and the Resulting Company as may be directed by the Court.

8.2. On the Scheme being agreed to by the requisite majorities of the classes of the members and/or creditors of the Demerged Company and the Resulting Company as directed by the Court, the Demerged Company and the Resulting Company shall respectively with reasonable dispatch, apply to the Court for sanctioning the Scheme of Arrangement under Sections 391 and 394 of the Act, and for an order or orders as the Court may deem fit for carrying this Scheme into effect.

#### **Modifications/ Amendments to the Scheme**

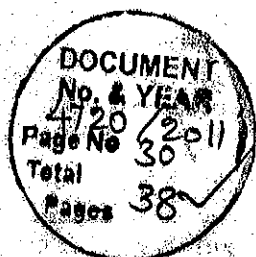
9.1. CAL and TEAM each, through any one of their respective Directors or authorized persons, may, in their full and absolute discretion, assent to any alterations or modifications to which the Court and/or any other authority may deem fit to approve or impose and may consider necessary to settle any questions or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith. CAL and TEAM each, through any one of their respective directors or authorized persons, may also in their full and absolute discretion, withdraw or abandon this Scheme at any stage or proceedings. For the purpose of giving effect to the Scheme after it is sanctioned by the Court, the respective Board of Directors of TEAM and CAL are authorized to identify/ allocate/ apportion the assets and liabilities covered under the Scheme.



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### Scheme Conditional on Approvals/ Sanctions

- 10.1. The Scheme is conditional upon and subject to its being sanctioned by the Court and certified copies of the Orders sanctioning the Scheme being filed with the Registrar of Companies, Tamil Nadu, Chennai. The Scheme shall become operative on the date or the last of the dates on which the certified copies of the Orders of the Court sanctioning the Scheme are filed by CAL and TEAM with the Registrar of Companies, Tamil Nadu, Chennai. Such date shall be known as the Effective Date.
- 10.2. It is hereby expressly provided that CAL and its shareholders shall be bound, in such manner, as per the terms contained in Part 3 of this Scheme.
- 10.3. 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.



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#### Expenses connected with the Scheme

11. All costs, charges and expenses including stamp duty, if any and registration fee of any deed, in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of the Scheme shall be borne and paid by the Resulting Company and shall be treated as costs relating to the demerger.

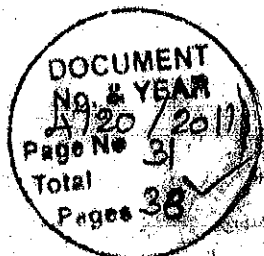
#### Effect of Non-Receipt of Approvals/ Sanctions

12. In the event of this Scheme failing to take effect finally before 31<sup>st</sup> August 2011, or such later date as may be agreed to by the respective Board of Directors of CAL and TEAM, this Scheme shall become null and void and in that case, no rights and liabilities whatsoever shall accrue to or incurred inter se to or by the Parties or their shareholders or creditors or employees or any other person. In such event, each party shall bear its respective costs, charges and expenses in connection with the Scheme.

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For

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## SCHEDULE I

a. Land

Land extending to 2 (Two) Acres in Survey No: 261-B/2C comprised in Patta No: 236 situated in GST Salai, Vandalur Village, Chengleput District registered vide Sale Deed No: 7795/ 1984 and 1791/1986 in the Sub - Registration District of Tambaram.

b. Buildings

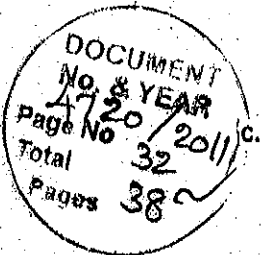
Total constructed area of 18,769 sq.ft comprised of

Production, Processing and Inspection Area	-	11,288
Compressor, Genset, EB Room	-	669
Office and Other Buildings	-	3,662
Restaurant Building	-	3,150
Total	-	18,769

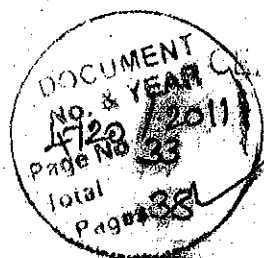
Plant and Machinery

List of Plant and Machinery:

DESCRIPTION
FRESH AIR SYSTEM
SKIP HOST FOR CAN & PET MOVEMENT
GRUNDFOS PUMP 1NO
ALUMINIUM PARTITION WORK WITH GLASS NOVAPAN AND PVC SECTION FOR PET BOTTLING M/C ETC
TITANIUM WELDED TUBES & FITTINGS
ALKALI-ION WATER UNIT
UF MODULE WITH PP END BLOCK 1 NO
SS TANK - 10000 LTRS



DOMINO INKJET PRINTER - MODEL:A200 CAPABLE OF PRINTING 1 TO
PURCHASE OF UF MEMBRANE 200 DIA - 1 NOS AND 400 DIA 1 NOS
TORAY MAKE MODEL:TN710 SIZE:4040 MEMBRANE
IDLE ROLLER AND CONVEYOR SYSTEM FOR ALKALISER
PURCHASE OF ULTRA FILTRATION SYSTEM - 1 NOS
ULTRA FILTER ELEMENT WITH PP END
FILMTEC MEMBRANE BW-30-400
CONVEYOR SYSTEM FOR 20 LITRE JAR -
ISO TANK CONTAINERS
ALKALINE IONIZER VGD 1000F
JAR BOTTLING PLANT ( INCL. DUTY, CLEARNING CHARGES)
ALKALINE PLANT
RO PLANT - P0412/W/0230
WATER ELECTROSYIS APPARATUS ALKALISAR - ELECTROLYSIS
UNIT
SEMI AUTOMATIC 1.0 LTR BOTTLING UNIT
SACHET MACHINE
FULLY AUTOMATIC PET BOTTLES FILLING MACHINE - 60 BPM
CAPACIT
DIESEL GENERATOR SET
ERRECTION AND SUPPLY OF ELECTRICAL CABLES AND
ACCESSORIES - EJ 34/31.1.4
ELECTRICAL WORK
PUR OF MULTIBORE SPINNERET ETC.MUF:5528/EURO2148/-
REFIP/PJ/1 DT.30.11.04/IMT
ELECTRIC CHAIN HOIST
FEINPRUEF-SPINFINISH PUMP DRIVING UNIT DRAWING NO.
SU100137-000-00A02 AZ - PART NO. 560239
SUPPORTING STRUCTURALS
ANALYSER, AUTO SDI METER,SDI BOOSTER PUMP IMP 4/30.4.3]
SINGLE SPINNERET 0.3 WITH CONDENSAP
SPINNER & CUTTING MACHINE
ENTRY TAX PAID TO CTO OFFICE - TRFD FROM RATES AND TAXES -
HYDRAULIC MOBILE CRANE - CL/0607/0010 -
FRP TANK-P0501/E/0153
SS 316 STAINLESS STEEL TANK WITH ROLLER
EQUIPMENT FOR DRINKING WATER LABORATORY
POTTING CUP 400 MM DIA WITH TELON COATING AS PER SKETCH.
PRESSURE EXCHANGER
LAB EQUIPMENTS
STEAM BOILER - GAS FIRED - MODEL SHBG - 200
1.54X2.76 SPINERETE FOR ULTRAFILTER SPINNING
MULTIBORESPPINNERET / CONDENSAP
SS 316 PLATE 10MM X 1270 X 3000-1 NO
DESIGN, MANUFACTURE AND SUPPLY OF FRESH AIR(FILTERED) -
CUM - POSITIVE PRESSURE SYSTEM



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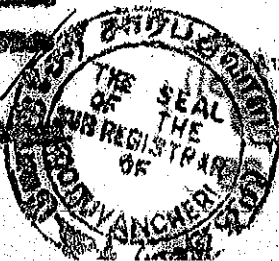
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e. **Receivables**

Amounts recoverable from Debtors as on 30/11/2010

f. **Cash and Bank Balances**

Cash on hand and the Balances (other than Non-operating Cash) in the Current Accounts with Bank of Baroda, Mylapore Branch, Axis Bank, Tambaram Branch standing in the name of the Demerged Undertaking.

g. **Other Loans and Advances**

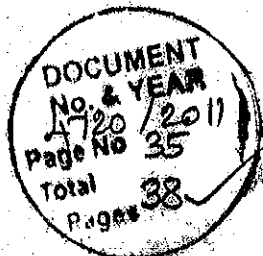
All deposits with Electricity Department, Balance with Central Excise Authorities, Staff Advances

h. **Debts and Liabilities**

All debts, liabilities, duties and obligations as on 30/11/2010.

FOR TITANIUM EQUIPMENT AND  
ANODE MANUFACTURING CO. LTD

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# SCHEDULE - II

## LIST OF EMPLOYEES

SL.NO	EMPLOYEE NAME	DESIGNATION
1	ARULRAJ S	ASST MGR - PURCHASE
2	BABU R	OPERATOR
3	BALAJI S R	MANAGER - MARKETING
4	BALAJI S	SR. ACCOUNTS OFFICER
5	CHANDRAN K	DRIVER
6	DANIEL D	DRIVER
7	SUBATHRA E	ACCOUNTS ASSISTANT
8	ETHIRAJ G	WORKER
9	GOPU	OPERATOR
10	GOVINDARAJAN B	OPERATOR
11	KARPAGAVALLI C	MICROBIOLOGIST
12	KATHIR P	WORKER
13	KOLASI R	WORKER
14	KRISHNASWAMY R	OPERATOR
15	MAHALIGAM C	DRIVER
16	MAHIMAI RAJ T P	DRAUGHTSMAN
17	MATHANRAJ B	OPERATOR
18	MATHIVANAN B	OPERATOR
19	MUTHU R	WORKER
20	NIRANJANI J	MANAGER-EDP
21	PALANI S	OPERATOR
22	PARIMALAM G	GRINDER
23	PERUMAL	DRIVER
24	RAMALINGAM H	OPERATOR
25	RANGAN M	DRIVER
26	RAVI E	DRIVER
27	RAVINDRAN S	ESTIMATION ENGINEER
28	SANTHANAKRISHNAN R	WORKER
29	SARAVANAN M	OPERATOR
30	SEKAR R	WORKER
31	SENTHIL S	SUPERVISOR
32	SIVACHANDRAN G	WORKER
33	SIVAKUMAR K	ACCOUNTS OFFICER
34	SRINIVASAN A	ACCTS OFFICER
35	SRINIVASAN P	WORKER
36	SURYA SAIKUMAR V	MANAGER ACCOUNTS
37	VENKATESAN A	ASST.MANAGER(S)
38	VENKATESAN S	ELECTRICIAN

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No. & YEAR  
4720 / 2011  
Page No 36  
Total  
Pages 38

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For TITANUM EQUIPMENT AND  
ANODE MANUFACTURING CO. LTD

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5.36-

WITNESS, The Hon'ble Thiru M.YUSUF EQBAL, Chief Justice  
of Madras High Court, aforesaid this the 14th day of March,  
2011.

Sd/-

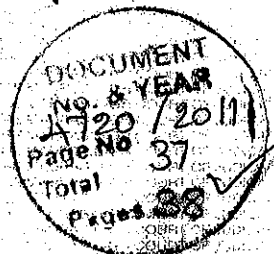
DEPUTY REGISTRAR(O.S.).

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DATED THIS THE 28th DAY OF March 2011.

COURT OFFICER.

From 25<sup>th</sup> September 2008 the Registry is issuing certified  
copies of the Orders/Judgments/Decree in this format.



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THE SECRETARY OF THE ARMY  
WASHINGTON, D. C.

OFFICE OF THE SECRETARY

WASHINGTON, D. C.

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THE SECRETARY OF THE ARMY  
WASHINGTON, D. C.

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15/24.3.2011

COMP.PETN.Nos.41 and 42  
of 2011.

ORDER DATED: 14.3.2011

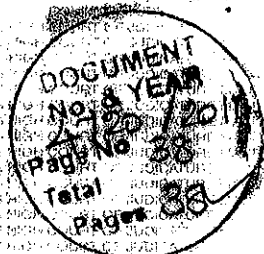
THE HON'BLE MR.JUSTICE  
VINOD K.SHARMA

FOR APPROVAL ON: 24.3.2011

APPROVED ON: 24.3.2011

COPY TO:

1. The Regional Director,  
Southern Region,  
5th Floor, Ministry of  
Corporate Affairs,  
No.26, Haddows Road,  
Chennai-6.
2. The Registrar of Companies, II Floor,  
No.26, Haddows Road,  
Chennai.6.



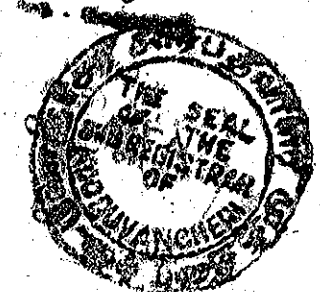
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IN THE  
 COURT OF THE  
 JUDGE  
 AT  
 MADRAS

IN THE MATTER OF

THE  
 COURT OF THE  
 JUDGE  
 AT  
 MADRAS

IN THE MATTER OF



HIGH COURT, MADRAS  
 ORIGINAL SIDE

No. 2008-11  
 15-12-19  
 dated for 25-3-14  
 28-3-14  
 24-4-14

*[Signature]*  
 C.O. (S.S.)

*[Signature]*  
 28-4-14