



**JINDAL SAW LTD.**  
TOTAL PIPE SOLUTIONS

**MEMORANDUM**

AND

**ARTICLES**

OF

**ASSOCIATION**

OF

**JINDAL SAW LIMITED**



CO.NO.20-23979

FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME

IN THE OFFICE OF REGISTRAR OF COMPANIES, U.P. & UTTARANCHAL, KANPUR

( Under the Companies Act, 1956 (1 of 1956) )

In the matter of

SAW PIPES LIMITED.....

I hereby certify that SAW PIPES LIMITED.....  
which was originally incorporated on 31st day of October.. ..  
1984..... with the name  
SAW PIPES LIMITED.....  
having duly passed special resolution on 07.12.2004.....  
in terms of Section 21 of the Companies Act, 1956 and the  
approval of the Central Government signified in writing having  
been accorded thereto in the letter No TC/S-21/23979  
dated 11.01.2005.... of the Registrar of Companies, U.P. &  
Uttaranchal, Kanpur, the name of the said company is this day  
changed to JINDAL SAW LIMITED.....  
and this certificate is issued pursuant to Section 23(1) of the  
said Act.

Given under my hand at Kanpur this 11th day of January  
Two thousand five.



*Har Lal*  
(HAR LAL) 11/1/05  
REGISTRAR OF COMPANIES,  
UTTAR PRADESH & UTTARANCHAL,  
KANPUR.



ग्राह्य० बार्० बार०

Form L.R.

विद्यमान का प्रमाण-पत्र

# Certificate of Incorporation

सं०.....19275.....बक.....1906.....  
No.....19275.....of 19.....84-85.....

मैं एतद् द्वारा प्रमाणित करता हूँ कि आज.....साई पाइप्स लिमिटेड.....

कम्पनी अधिनियम १९५६ (१९५६ का १) के अधीन नियमित है, यह है और यह कम्पनी  
परिचीनित है।

I hereby certify that.....SAW PIPES LIMITED.....

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the  
Company is limited.

मेरे हस्ताक्षर के साथ ता०.....9 तारीख, 1906.....को दिया गया।

Given under my hand at.....NEW DELHI.....this.....THIRTY FIRST.....  
day of.....OCTOBER.....One thousand and nine hundred and.....EIGHTY FOUR.....



*Inwaidi Chohan*  
1 एस. बी. मीश्र-1  
कम्पनी रजिस्ट्रार  
S.B. MISHRA  
Registrar of Companies  
DELHI & HARYANA

COMPANY NO. 19275



## Certificate for Commencement of Business

व्यापार प्रारम्भ करने का प्रमाण-पत्र

Pursuant to section 149 (3) of the Companies Act, 1956

कम्पनी अधिनियम १९५६ की धारा १४९ (३) के अनुसरण में

I hereby certify that the SAW PIPES LIMITED

मैं एतद द्वारा प्रमाणित करता हूँ कि सॉ पाइप्स लिमिटेड

which was incorporated under the Companies Act, 1956 on

जो कि कम्पनी अधिनियम, १९५६ के अन्तर्गत पंजीकृत की गई थी दिनांक 9 अक्टूबर, 1966

the THIRTY FIRST day of OCTOBER 19 66

and which has filed a duly verified declaration in the

और जिस ने कि यथावत् निर्धारित प्रपत्र में सत्यापित घोषणा पत्र प्रस्तुत

prescribed from that the conditions of section 149 (3) of the Companies Act, 1956

कर दिया है कि उस ने धारा 149 (3) (क) से (ग)

149 (2) (a) to (c) of the said Act, have been complied with, is entitled

की सभी शर्तों का अनुपालन कर दिया है, अतः व्यापार प्रारम्भ करने का

to commence business.

प्रमाणित है।

Given under my hand at NEW DELHI

मेरे हस्त-क्षर से आज दिनांक 7 अक्टूबर, 1966

this TWENTY EIGHTH day of NOVEMBER

One thousand nine hundred and EIGHTY FOUR

को जारी किया गया।



*(Signature)*  
( S. B. MATHUR )  
Registrar of Companies  
कम्पनी रजिस्ट्रार  
दिल्ली एवं हरियाणा





**GOVERNMENT OF INDIA**  
**MINISTRY OF CORPORATE AFFAIRS**

Registrar of Companies, Kanpur

10/499-B, Allenganj., Khalasi Line., , Kanpur, Uttar Pradesh, INDIA, 208002

Corporate Identity Number : L27104UP1984PLC023979.

**SECTION 13(1) OF THE COMPANIES ACT, 2013**

**Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)**

The share holders of M/s JINDAL SAW LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 01/01/2016 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at Kanpur this Twenty Seventh day of January Two Thousand Sixteen.

**ALOK TANDON**  
Deputy Registrar of Companies  
Registrar of Companies  
Kanpur

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Mailing Address as per record available in Registrar of Companies office:

JINDAL SAW LIMITED  
A-1, UPSIDC INDUSTRIAL AREA, NANDGAON ROAD, KOSI KALAN, MATHURA,  
UP - 281403,  
Uttar Pradesh, INDIA



(THE COMPANIES ACT, 1956)  
PUBLIC COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION  
OF  
**JINDAL SAW LIMITED**

1. The name of the company is JINDAL SAW LIMITED.
2. The Registered Office of the company will be situated in the state of Uttar Pradesh.
3. The object for which the company is established are:
  - (A) MAIN OBJECTS OF THE COMPANY TO BE PURSUED ON ITS INCORPORATION.
    1. To carry on in India or elsewhere, the business of manufacturers of importers, exporters and dealers in all kinds of tubes, pipes, pipes and pipe fittings made of steel Plates of API standards and all other types of plates, M.S. strip, scalp, copper, cast iron, rubber, polythene, aluminium, stainless steel and other materials and machinery, equipments required for manufacture of such items.
    2. To carry on the business or businesses of manufacturers, importers, exporters and dealers in steel plates, steel strips, sheets, ferrous and nonferrous metal including rollers and re-rollers sheet metal, steel, alloy steels, special and stainless steels, aluminium, brass, copper, shafting, bars, rods, wire rods, all kinds of steel wires, flais, plates, blooms, slabs, squares from scrap, sponge iron, preproduced billets, ingots, expended metals, hardware materials, hinges, hoops, rounds, circle buckets, fire buckets, baht tubs, mugs, drums, tanks, containers, steel and tubular furniture of all kinds, and other materials for strong or conveying water, oil and other materials solid or liquid.
    3. To carry on the business to establish, build, maintain and operate barrages, jetties, ports, terminals, canals, water ways for transportation by water, cargo, goods, material, passengers, shipping for the purpose of establishing and providing of necessary infrastructure / support / logistics on its own or otherwise in India or elsewhere at sea-shores, river / canal banks, setting up on its own or otherwise inland water-housing, container depots, dry container depots, warehouses, stay houses and to provide all logistical / technical / interface of inland water transport, operation of multi nodal transport systems/infrastructure support for the operation of business of carriage of all types of goods / material, passengers through water ways, canal, sea, river, ocean, coastal shipping and to construct, develop, improve various water ways, ports, terminals, depots, linking of canals, rivers for the same both in India and abroad and to purchase by import or otherwise, hire, construct, operate, work, ships and vessels by any class including steamships and to establish, operate and maintain lines or regular services of ships and vessels of any class including steamships and generally to carry on the business of shippers, ship owners and to enter into contracts for the carriage of mails, passenger, goods and cargo of any kind by any means and either by the ships and vessels, railways and conveyance of others taken by Company by hire or on lease both in India and abroad.

4. To establish, maintain and operate shipping and all ancillary services and to purchase, take in exchange, charter, hire or otherwise acquire and to own, work, manage and trade with steam, sailing, motor and other ships, tankers, trawlers, drifters, tugs and vessels of all description with all necessary and convenient equipment and to maintain, repair, fit out, refit, improve, insure and alter, sell, exchange or let out on hire or hire purchase or charter or otherwise deal with and dispose of any of the ships, tankers, trawlers, drifters, tugs and vessels or any of their engines, tackle, gear and equipments and to purchase or otherwise acquire any ship or vessel and ship or vessels including steamships now in the course of construction or to be constructed together with all equipments and tools required for the operation, usage and working of the ships or vessels including steamships and to carry on the business in India or elsewhere to provide, commercialize, control, develop, establish, handle, operate, hold, organize, promote, service, supervise, represent and to act as agent, concessionaires, consultants, or deal in all types of cargo activities in all its branches for collecting and delivering either by own arrangements or through representatives or agents, any documents, goods, articles or things on behalf of customers from one place to another place in any part of the world and to establish maintain and operate transport services in India and outside India as consolidators, break-bulk Cargo Agents for shipping companies, lines and roadways both in India and abroad and to carry on the business of providing all kinds of cargo services such as to collect to deliver parcels, and any other goods and articles in India and abroad and appoint agents, sub-agents in India and abroad to provide the aforesaid services both in India and abroad.

(B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS:

1. To erect, set up, construct, work, manage, maintain, equip, improve or alter, assist in the erection, setting up, construction, working management, maintenance, equipment, improvement, or alteration in India and/or elsewhere, factory or factories for the purpose of carrying on the business of iron-founders, steel founders, metal founders, alloy founders, brass founders, manufactures of machinery, tools, accessories, instruments, implements, spare parts, rolling stock, hardware, pipes, tubes, and such other articles as may seem to the Company capable of being manufactured at such factory or factories and dealers in all articles so manufactured in India and/or elsewhere.
2. To acquire, build, construct, alter, maintain, enlarge, pulldown, remove or replace and to work, manage and control any building, offices, factories, mills shops, machinery engines roads, way tramways, railways, branches or sidings, bridge, reservoirs, watercourses, wharves water reservoirs, sheds, channels, pumping installations and generating installation, electric work and other works and conveniences which may seem calculated directly or indirectly or indirectly to advance the interest of the Company and to join with any other person or company in doing any of these things.
3. To buy sell, manufacture, alter, improve, exchange, let out on hire import, export and deal in all factories, works, plant, machinery, tools, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in any business which this company is competent to carry on or required by any customers of or persons having dealing with the Company or commonly dealt in by persons engaged in any such business or which may seem capable of being profitably dealt with connection therewith and to manufacture, experiment with, tender marketable and deal in all products of residual and bye-products incidental to or obtained in any of the businesses carried on by the Company.
4. To purchase, take on lease or tenancy or in exchange, hire, take options, over or otherwise acquire for any estate or interest whatsoever and to hold, develop, work, cultivate, deal with and turn to account concessions, grants, decrees, licenses, privileges, claims, options,

losses property, real or personal, rights or powers of any kind which may appear to be necessary or convenient for any business of the Company.

5. To acquire from any person, firm or body corporate or unincorporate, whether in India or elsewhere, technical information, knowhow, processes, engineering, manufacturing and operating data, plans layouts and blueprints useful for the design, erection and operation of plant required for any of the business of the Company and to acquire any grant or license and other rights and benefits in the foregoing matters and things.
6. To enter into any contracts, agreements or other dealings in the nature of technical collaboration or otherwise for the more efficient conduct of the business of the Company or any part thereof and also arrange for purchase or otherwise supply of machinery from any part of the world on credit or for cash or deferred payments terms.
7. Subject to Sec. 293 of the Act to sell, exchange mortgage, let on lease, royalty or tribute, grant licenses, easements, options and other rights over and in any other manner deal with or dispose of the whole or any part of the undertaking, property, assets, rights and effects of the company for such consideration as may be thought fit and in particular for stocks, shares, whether fully or partly paid up, or securities of any other company having objects as that of this Company.
8. To pay for any rights or property acquired by the Company and to remunerate any person, firm or body corporate rendering services to the Company either by cash payment or by allotment to him or them of shares in or securities of the Company as paid in full or in part or otherwise.
9. To lend and advance money either with or without security and give credit to such persons (including Government) and upon such terms and conditions as the company may think fit provided that the Company shall not carry on banking business as defined in Banking Regulations Act, 1949.
10. To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
11. To guarantee the performances of any contract or obligations of and the payment of money of or dividends and interest on any stock, shares or securities of any company, corporation, firm or person in any case in which such guarantee may be considered likely directly or indirectly to further the objects of the Company or the interests of its shareholders.
  - (a) To carry on and transact every kind of guarantees and indemnity business and to undertake, obligation of every kind and description and also to undertake, and execute, trusts of all kinds.
  - (b) To appoint the representatives at any place or places in any part of the world for the conduct of the business of the Company or for the purchase, sale or any exchange either for ready, for future delivery of any merchandise, commodities, goods wares, materials produce, articles and things, required for or dealt in or manufactured by or at the disposal of the Company and to transact all kinds of agency business.
12. To purchase or otherwise acquire, and to use, exercise, develop and grant licences in respect of, or otherwise turn to account, any patents, licences, concessions and the like conferring and exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention in relation to the business or industry of lighting and signalling in all its branches, including as aforesaid, or generally any invention which may seem to the



Company capable of being profitably dealt with.

13. Subject to relevant provisions of Section 370 and 372 of the Act, to invest any money of the Company not immediately required in such investments, other than shares or stock in the Company as may be thought proper and to hold, sell or otherwise deal with such investments.
14. Subject to Section 58 A, 292 and 593 of the Act and the directions of R.B.I to receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures, or debenture-stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future) including its uncalled capital and also by a similar mortgage, charge, or lien to secure and guarantee the performance by Company or any other person or company of any obligation undertaken by the Company.
15. To draw, make, accept, endorse, discount, negotiate, execute and issue bills of exchange, hundies, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
16. To apply for, purchase or otherwise, acquire and protect, prolong and renew in any part of the world, any patent, patent right, brevets d' invention, trade marks, designs, licences, protections, concessions and the like conferring, any exclusive or non-exclusive or limited right to their use or any secret or other information as to any invention, process or privilege which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to privileges in respect of or, otherwise turn to account, the property rights information so acquired and to carry on any business in any way connected therewith.
17. To expend money in experimenting on and testing and in improving or seeking to improve any patents, rights, invention, discoveries, processes or information of the Company or which the Company may acquire or propose to acquire.
18. To establish, provide, maintain and conduct research and other laboratories, training colleges, school and other institutions for the training, education and instruction of students and others who may desire to avail themselves of the same and to provide for the delivery and holding of lectures, demonstrations, exhibitions, classes meetings and conferences in connection therewith.
19. To acquire and undertake all or any part of the business, property and liabilities of any person or company carrying on or proposing to carry on any business which this company is authorized to carry on or possessed of property suitable for the purposes of the Company or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
20. To procure the registration or recognition of the Company in or under the laws of any place outside India.
21. To form, incorporate or promote any company or companies, whether in India or elsewhere, having amongst its or their objects the acquisition of all or any of the assets or control, management or development of the company or any other object or objects which in the opinion of the company could or might directly or indirectly assist the Company in the management of its business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in

connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in obtaining subscriptions or for placing or assisting to place or to obtain subscriptions for or for guaranteeing the subscriptions of or the placing of any share in the capital of the Company or any bond, debentures, obligations, or securities of any stock, shares, bonds, debentures obligations or securities of any other company held or owned by the Company or in which the Company may have an interest or in about the formation or promotion of the company or the conduct of its business or in or about the promotion or formation of any other company in which the Company may have an interest.

22. Subject to the provisions of Sections 391 to 394 of the companies Act, 1956, to amalgamate or to enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint-venture or reciprocal concession or for limiting competition with any person or persons or company or companies carrying on or engaged in, or about to carry on or engage in, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the company.
23. To enter into any arrangements and to take all necessary or proper steps with Governments or with other authorities, supreme, national, local, municipal or otherwise of any place in which the Company may have interest and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution of the Company or furthering the interest of its members and to oppose any such steps taken by any other company, firm or person which may be considered likely directly or indirectly to prejudice the interests of the Company or its members and to assist the promotion, whether directly or indirectly, of any legislation which may appear to be in the interest of the Company and to make representations against whether directly or indirectly any legislation which may seem disadvantageous to the Company and to obtain from any such Government, authority or any company, any charters, contracts, decrease, rights grants loans, privileges or concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, charters, contracts, decrees, rights, privileges or concessions.
24. To adopt such means to making known the products of the company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest by publication of books and periodicals and by granting prizes, rewards and donation, subject to provisions of the Companies Act.
25. To undertake and execute any trust, the undertaking of which may seem to the Company desirable, and either gratuitously or otherwise, and vest and real or personal property, rights or interest acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.
26. To apply the assets of the Company in any way in or towards the establishment maintenance or extension of any association, institution or fund or otherwise connected with any particular trade or business or with the trade, or commerce generally and particularly with the trade, including any association, institution, or fund for the protection of the interests of masters, owners and employers against loss by bad debts, strikes, combinations, fire accidents or otherwise or for the benefit of any clerks, workmen or others at any time employed by the Company or any of its predecessors in business or their families of dependents and whether or not in common with other persons or classes of persons and in particular of friendly, cooperative and other societies, reading rooms, libraries, educational and charitable institutions, refractories, dining and recreation rooms, churches, chapels, school, and

hospital and to grant gratuities, pensions and allowances and to contribute to any funds raised by public or local subscriptions for any purpose whatsoever.

27. To aid, pecuniarily or otherwise, any association, body or movement having for an objects the solution, settlement, or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
28. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefits of, and give or procure the giving of the donations, gratuities, pensions, allowances or employments to, any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or Officers of the Company or of any such other company as aforesaid, and the wives, widows, families and dependents of any such persons, and also establish and subsidise to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.
29. Subjects to law of the land for the time being in force to distribute among the members, in the event of winding up, in specie any property of the Company or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
30. To carry on any other business whether manufacturing or otherwise that may seem to the Company capable of being conveniently carried on in connection with the above objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights or which it may be advisable to undertake with a view to improving, developing rendering valuable or turning to account any property, real or personal belonging to the Company or in which the Company may be interested and to do all or any of the above things, either as principals, agents, trustees, contractors or otherwise, and either along or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise.
31. To establish agencies and brokers and to open centres and branches in any part of India and abroad for conducting the business of the Company and send out to foreign countries employees of the Company or any person required to promote the interest of the Company.
32. To pay all or any cost, charges and expenses and expenses preliminary and incidental to the promotion, formation establishment and registration of the Company.
33. To pay for properties, right or privileges acquired by the Company either in shares in the Company or penalty in cash or otherwise.
34. To do all such other things as may deemed incidental or conducive to the attainment of the above objects or any of them.

(C) OTHER OBJECTS

1. To conduct, carry on and manage the business or trades of growers, malters in all its branches of hop merchants and growers, corn merchants, whisky, gin, rum, brandy and general distillers, compounders and rectifiers, merchants, exporters, importers, brokers, bottlers, bottle makers, bottle stopper maker, sales agents and general traders in relation to the marketing and distributions, at home and abroad, of spirits, wines, liquors, aerated and

the mineral waters and all products derived from the cultivation of the grapes and generally to undertake, perform and carry out at all or any of the operation ordinarily undertaken by distillery proprietors, win growers, merchants, contractors and shippers, or by person or companies engaged in such business.

2. To carry on business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, twisting, or otherwise handling or dealing in rayons, rayon yarn namely viscose, filament rayon, continuous filament yarn or artificial silk yarn, acrylic fibre, alcohol fibre including all types of synthetic fibre, or fibrous materials or allied products, by-products or substances or substitutes for all or any of them or yarn for textile or other uses.
3. To work or promote or acquire gas-producing undertakings, for producing oxygen, nitrogen, hydrogen halogens, argon hydrocarbon gases including ethylene and acetylene, propylene, propane, butanes, gaseous and allied types of reagents, and to dispose of any of the above mentioned product for any purposes of any terms and conditions and in any manner as the Company thinks expedient, and to carry on business as gas makers and engineers and to take contracts for erection of gas producing plant and distribution of gases referred to above.
4. To carry on all or any of the business of manufacturers, importers, exporters, stockists and otherwise dealers in all kinds of chemicals, organic including acids, alkalies, calcium carbonates, aniline manures, fertilizers, soda, soda ash, and dry ice, catechum and other chemicals synthetic or otherwise.
5. To search for, get, work, raise, crush, produce, refine dress, manufacture, treat, purchase, sell, amalgamate, manipulate, exports, imports or otherwise with either as principals or agents, either solely or in partnership with others.
  - (a) Foodstuffs such as wheat, barley, rice, maize, millets, sugarcane, sugar, all kinds of grains, cereal and oilseed, butter, cheese, condensed milk, chocolates, aerated water, tinned fruits, biscuits, starch, confectioneries and sugar candy.
  - (b) Cotton, silk art silk woolen, linen, hosiery, jute and hessian goods, tents, carpets, durries, curtains, draperies of all kinds.
  - (c) Building materials including iron, steel, lime, limestone, cement, asbestos, timber, paints, oil greases, bricks, firebricks, fireclay, potteries, pillars, angles, tees, railing, glasswares, hardware, brassware, celluloid goods and other materials.
  - (d) Plant and machineries of all kinds, engines, boilers tools, and implements of all kinds, weighbridges and sewing machines.
  - (e) Ore, metals, and metallic substances of all kinds, and to carry on any other metallurgical operations which may be conducive to any of the Company's objects.
  - (f) Molasses, sugar, gur, confectionery and sweets, vanaspati, vegetable and other oil (edible or not).
  - (g) Tobacco, cigars, cigarettes, match boxes, lighters, pipes and any other articles required by smokers.
  - (h) All kinds of Marine and /or Sea Products, and any other product connected/related therewith.
  - (i) All types of Paints, Dyes, Dyestuffs, Plastic and plastic Products.



(j) All Types of Sports goods.

6. To carry on the business of timber merchants, saw mill proprietors and timber growers and to buy, sell, grow, prepare for market, manipulate, import, export and deal in timber and wood of all kinds and to manufacture and deal in articles of all kinds in the manufacture of which timber or wood is used and to buy, clear, plant and work timber estates.
7. To deal in, purchase, sell, exchange and/or transfer securities, shares debentures and all other forms of investment either for ready or forward transactions, and to carry on all kinds of investment business.
8. To act as agents or brokers and as trustee for any person or company and to undertake and perform sub-contracts and to do all or any of the above things in any part of the world as principals, agents, contractors, trustees or otherwise and by or through agents, sub-contractors or trustees or otherwise and either alone or jointly with others.
9. To search for, get, work, raise, crush, produce, manufacture, purchase, sell, manipulate, export, import and/or otherwise deal in lime, limestone, cement, asbestos, bricks, firebricks, fireclay, potteries, glasswares, hardware, celluloid goods and other materials.
10. To carry on business of plantation and manufacturers of and dealers in all kinds of tea, coffee, coco and other food, beverages and preparation.
11. To work out as principals or agents, quarries and mines, limestone, chinaclay, bauxite, mica, manganese, gypsum, sulphur, iron, aluminium, copper, asbestos, lead, zinc, salt deposits, gold, silver, precious stone as permissible under the law and all other nature resources of land and also to manufacture and deal with such products in which these are used.
12. To carry on the business of manufacturers or processors and/or importers, exporters, buyers, sellers, stockists, and distributors, of and/or dealers in synthetic resin, vanaspati, vegetable and other oils (edible or not) carbon black, leather, hides, skins, latexes and formulations thereof including reclaimed rubber and other kinds of resin rubber, leather and plastic products and goods including footwear.
13. To carry on the business of farming, horticulture, floriculture, sericulture, cultivators of all kinds of seeds, fruits, including grapes, orange, apples, mangoes proprietors of orchards and traders, exporters, dealers, processors, preservers and sellers of the products of such farming, horticulture, floriculture, sericulture, seeds, and cultivation and manufacturers of drinks including beverages products from such products or otherwise.
14. To deal in, purchase, sell, import, export or supply and/or to act as principals, dealers, agents, sub-agents, manufacturers, representatives either solely or in conjunction with others and either by or through agents, subcontractors, trustees or otherwise for the Indian manufactured goods, commodities, services in the foreign countries and vice-versa and for the above said purposes to establish or maintain services, or maintenance depots anywhere in the world.
15. To carry on the business of manufacturers of and dealers in all kinds and classes of paper, board, corrugated board, corrugating medium and pulp including writing paper, printing, absorbent paper, newsprint paper, wrapping paper, tissues paper, cover paper, blotting paper, filter paper, antique paper, ivory finish paper, coated paper, art paper, bank or bond paper, badami brown or buff paper, ivory finish paper, coated paper, art paper, m bank or bond paper, badami, brown or buff paper, bible paper, cartridge paper, cloth lined, paper azurelaid and wove paper, cream laid and wove paper, grease proof paper, gummed paper,

hand-made paper, parchment paper, drawing paper, craft paper, manila paper, envelope paper, tracing paper, vellum paper, chemically treated paper, paste board, duplex and triplex board, hardboard, plywood board, post cards, visiting cards, soda pulp, mechanical pulp, sulphite pulp, semi-chemicals pulp and all kinds of articles in the manufacture of which in any form paper, board or pulp is used and as to deal in or manufacture any other articles or things of a character similar or analogues to foregoing or any of them or connected therewith and to purchase or otherwise acquire, settle improve and cultivate forests, lands and properties of any tenure whatsoever with a view of producing cultivating, growing timber, bamboo or other wood.

16. To carry on the business of manufacturers, processors, refiners, smelters, markers, converters, finishers, importers, exporters, agents, merchants, buyers, sellers, and dealers in all kinds and forms of steel including tools and alloy steels, stainless and all other special steels, iron and other metal and alloys and also the business of ironmasters, steel and metal converters, ferroalloy manufacturers, smelters and engineers, in all their respective branches and to search for, get work, raise, make merchantable, manufacturer, process buy, sell and otherwise deal in iron steel and other metals, ores minerals and minerals substances, alloys and metals scrap of all kind.
17. To carry on the business of mechanical engineers, and manufacturers of agricultural implements and other machinery tool-makers, brass founders, metal workers, boiler makers, mill wrights, machinists, iron and steel converters, smiths, wood workers, builders, painters, metallurgists, electrical engineers to sell and give technical know how of all kinds, water supply engineers, structural engineers, gas makers, farmers, printers carriers and merchants, and to buy, sell, manufacture, repair, convert, alter let on hire, deal in machinery, implement, rolling stocks and hardware of all kinds.
18. To set up steel furnaces and continuous casting and hot and cold rolling mill, plants for producing ferrous and non-ferrous metals, alloy steels, steel ingots, billets and all kinds and all sizes of iron and Steel re-rolled sections such as flats, angles, round, squares, rails, joints, channel, slabs, strips, sheets, plates, deformed bars, plain and cold twisted bars and shaftings.
19. To carry on the business of Stamping and Pressing of Sheet metals in different shapes and sizes.
20. To carry on all or any of the following business viz. refining of petroleum crude oil, manufacture of refined oil, perfumed and all other types of oil and extracting by products thereof.
21. To carry on the business of refining, blending, processing, bottling, storing, transporting, supplying, selling and distributing petroleum petrochemicals and chemicals and any products, by products, intermediate products and derivatives thereof.
22. To carry on the business of manufacturers, importers and dealers in fuel and other oils, petroleum and every kind of business of refiners of such oils and all accessories required for petroleum and manufacturers of lubricating oils and all accessories required for equipment and operation of said oil well and refinery and to manufacture, sell, deal, import & export, intermediate products and by products of petroleum and lubricating oils.
23. To carry on in India or elsewhere the business of prospecting for, exploration, drilling, extraction, production of mineral oils, natural gas and petroleum products and to provide allied services and facilities including cementing, logging, fishing, transportation, hiring or

leasing of equipments or providing man power and managing of the prospecting for, exploration, drilling, extraction or production of mineral oils, natural gas and petroleum products and to deal in the said goods.

IV. The liability of the members is limited.

V. "The Authorized Share Capital of the Company is Rs. 683,00,00,000 (Rupees Six Hundred Eighty Three Crores only) divided into 4,73,00,00,000 (Four Hundred and Seventy Three Crores and) Equity shares of Re. 1/- (Rupee One only) each, and 210,00,000 (Two Crores Ten Lakh) Preference Shares of Rupees 100/- (Rupees hundred only) each."

---

We, the several persons, whose name and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our name:-

[ 11 ]

Name Address and Occupation of Subscribers	No. of Equity Shares taken by each Subscriber	Signature of the Subscriber	Name, Address Occupations of witnesses
1. PRITHVI RAJ JINDAL S/o. Sh. O. P. Jindal 45/41, Punjabi Bagh, New Delhi, (Business)	100	Sd/-	I witness all the Signatures Sd/- (PRADEEP KUMAR JAIN) Chartered Accountant S/o Sh. Vidya Sagar Jain Resident of 41/41, West Punjabi Bagh, New Delhi
2. RATTAN JINDAL S/o. Sh. O. P. Jindal Jindal House Delhi Road, Hisar (Business)	100	Sd/-	
3. ANAND PARKASH GARG F.C. A., A. C. S. S/o. Sh. Lakshmi Chand Garg Boarding House Street Rori Bazar, Sirsa (Business)	100	Sd/-	
4. KULDEEP BHARGAVA S/o. Sh. A. P. Bhargava Anand Bhawan, Hisar (Business)	100	Sd/-	
5. SHANTI SARUP SAXENA S/o. Late Sh. B. R. Saxena 41/41, Punjabi Bagh, New Delhi-110026 (Service)	100	Sd/-	
6. NIRMAL CHAND MATHUR S/o. Late Sh. H.C. Mathur C-2/9, Vasant Vihar, New Delhi-110057 (Service)	100	Sd/-	
7. AKHILESH BANSAL S/o. Late Sh. B. P. Bansal 41/41, West Punjabi Bagh New Delhi-110026 (Service)	100	Sd/-	
Total	700		

Dated this

8th

day of September 1984

Place : DELHI



8/2/09

**R.P. AGARWAL**

ADVOCATE, HIGH COURT

1-A- AUCKLAND ROAD,

ALLAHABAD- 211001

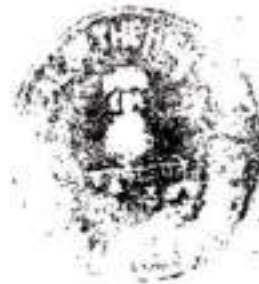
PHONES : (0532) 2423673/2422682

E-MAIL : rpagr@sancharnet.in

MOBILE - 9415217208

*Company Petition no. 11 of 2009  
In  
Company Application no. 1 of 2009  
District - Mathura  
In the Matter of Amalgamation  
Highgate Consultants Limited  
With  
Zindal Sars Limited  
Company Petition is allowed on 13.7.09.*

*22/7/09*  
Date of Application  
Date of Ready  
Date of Issue  
Date of Clerk



IN THE HON'BLE HIGH COURT OF JUDICATURE AT ALLAHABAD

ORIGINAL COMPANY JURISDICTION

COMPANY PETITION No. 11 OF 2009  
[UNDER SECTION 391/394 OF THE COMPANIES ACT, 1956]

CONNECTED WITH

COMPANY APPLICATION NO. 1 OF 2009

In the matter of Companies Act, 1956

AND

In the matter of section 391/394 of the Companies Act, 1956

DISTRICT : MATHURA

IN THE MATTER OF AMALGAMATION OF :

HIGHGATE CONSULTANTS LIMITED  
a company incorporated in British Virgin  
Islands, under the provisions of the BVI  
Business Companies Act, 2004 having  
its registered office at PO Box 3469,  
Road Town, Tortola, British Virgin Islands.

Transferor Company

With

JINDAL SAW LIMITED,  
having its registered office  
at A-1 UPSIDC Industrial Area, Nandgaon  
Road, Kosi Kalan, Mathura - 281403

Transferee Company

PETITION TO SANCTION THE SCHEME OF AMALGAMATION

JINDAL SAW LIMITED,  
a public limited company incorporated  
under the provisions of the Companies  
Act, 1956 and having its registered office  
at A-1 UPSIDC Industrial Area, Nandgaon  
Road, Kosi Kalan, Mathura - 281403

PETITIONER

2

**BEFORE HON'BLE Ms. JUSTICE BHARATI SAPRU**

Dated 13<sup>th</sup> July, 2009

**ORDER UNDER SECTION 394**

The above petition coming on for hearing on 13<sup>th</sup> July, 2009, upon reading the said petition, the Order dated 28<sup>th</sup> January, 2009 whereby the Petitioner Company was ordered to convene separate meetings of its equity shareholders and the creditors, for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Amalgamation proposed to be made between the petitioner company and the Highgate Consultants Limited, a company incorporated in British Virgin Islands under the provisions of the BVI Business Companies Act, 2004 having its registered office at PO Box 3469, Road Town, Tortola, British Virgin Islands, and its equity shareholders and annexed to the affidavit of Sri Sunil Jain, Company Secretary, dated 19-01-2009 ; the Times of India [English Daily] dated 11-02-2009 published from Delhi, and Amar Ujala [Hindi Daily] dated 11-02-2009 published from Agra, each containing the advertisement of the said notices convening the said meetings of the equity shareholders and the creditors of the Petitioner Company directed to be held by the said order dated 28<sup>th</sup> January, 2009 ; the affidavit dated 16-02-2009 (filed on 17-02-2009) of Shri Ajay Bhanot, Chairman appointed for the meetings of the equity shareholders and the creditors of the petitioner company showing the publication and despatch of the notices convening the said meetings ; the report dated 07-03-2009 and affidavit dated 16-03-2009 [filed on 16-03-2009] of the said Chairman, as to the result of the meetings of the equity shareholders and the creditors of the petitioner company, and appearing from the said reports of the Chairman that the proposed Scheme of Amalgamation has been approved unanimously by the equity shareholders and the creditors present and voting in person or by proxy.

2

The Transferor Company is a foreign company and is beyond the jurisdiction of this Court. Therefore, this Scheme of Amalgamation is confirmed subject to the completion of legal formalities by the Transferor Company under the laws of the British Virgin Islands. The confirmation petition is thus allowed.

THIS COURT DOETH ORDER :

That subject to the completion of all legal formalities by the Transferor Company under the laws of British Virgin Island,

(1) That all the properties, rights and powers of the Transferor Company specified in the first, second and third parts of the Schedule hereto and all other properties, rights and powers of the said Transferor Company, be transferred without further act or deed to the Transferee Company and accordingly the same shall, pursuant to section 394(2) of the Companies Act, 1956, be transferred to and vest in the Transferee company for all the estate and interest of the Transferor Company therein but subject nevertheless to all charges now affecting the same ; and

(2) That all the liabilities and duties of all the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall, pursuant to section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities and duties of the Transferee Company ; and

(3) That all proceedings now pending by or against the Transferor Company be continued by or against the Transferee company ;

(4) That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

2



Sanctioned Scheme of Amalgamation

SCHEDULES

[PART - I]

NONE

[PART - II]

NONE

[PART - III]

Short description of all stocks, shares, debentures and other  
chose-in-action of the Transferor Company

As per Scheme of Amalgamation

A.N



2



**SCHEME OF AMALGAMATION  
OF  
HIGHGATE CONSULTANTS LIMITED  
WITH  
JINDAL SAW LIMITED**

**UNDER SECTION 391 TO 394 AND OTHER APPLICABLE PROVISIONS OF  
THE COMPANIES ACT 1956**

**PREAMBLE:**

The Scheme of Amalgamation is presented under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 for Amalgamation of Highgate Consultants Limited with Jindal Saw Limited;

The Scheme is divided into following parts:

- i) **Part 1-** dealing with the Description, Definitions and Share Capital;
- ii) **Part 2-** dealing with the amalgamation of the Highgate Consultants Limited with Jindal Saw Limited;
- iii) **Part 3-** deals with the general terms and conditions that would be applicable to the entire Scheme.

The Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

<b>PART I DESCRIPTION, DEFINITIONS AND SHARE CAPITAL</b>
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**1.1 DESCRIPTION OF COMPANIES:**

- a. Highgate Consultants Limited (hereinafter referred to as "**Transferor Company**"), a company incorporated in British Virgin Islands, under the provisions of the BVI Business Companies Act, 2004 having its registered office at PO Box 3469, Road Town, Tortola, British Virgin Islands. Transferor Company is a wholly owned subsidiary of the Transferee Company.

Company

the provisions of the Companies Act, 1956 and having its registered office at A-1 UPSIDC Industrial Area, Nandgaon Road Kosi Kalan, Mathura, Uttar Pradesh 281403.

#### **DEFINITIONS**

**This Scheme, unless repugnant or inconsistent with the subject or to the meaning or context thereof, the following expressions shall have the meaning below;**

- (a) **"Act"** means the Companies Act, 1956 or any statutory amendments thereto or re-enactment thereof.
- (b) **"Amalgamation"** means merger of Transferor Company with Transferee Company and as the context may require, in terms of this Scheme.
- (c) **"Appointed Date"** for the purposes of the Scheme means the Effective Date or such other date as the Hon'ble High Court may direct.
- (d) **"Board"** or **"Board of Directors"** means the board of directors of Transferor Company or Transferee Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.
- (e) **"BVI Act"** means the BVI Business Companies Act, 2004 or any statutory amendments thereto or re-enactment thereof.
- (f) **"Effective Date"** means the last of the following dates:
  - (i) Sanction of the High Court of Judicature at Allahabad or any other authority under Section 391 and 394 of the Act in favour of the Transferee Company under the said provisions and to the necessary order or orders under section 394 of the said Act being obtained and the same being filed with the Registrar of Companies Uttar Pradesh & Uttarakhand at Kanpur.
  - (ii) Compliance by Transferor Company of all the necessary and applicable provisions of the laws of the British Virgin Islands for the Amalgamation and the Registrar of Companies appointed under the laws of British Virgin Island accepting the Order passed by this Hon'ble High Court as sufficient evidence of the Scheme having been sanctioned and striking off the Transferor Company from the British Virgin Islands register of companies.

2

1-11-11

Effective Date:

- g) **"High Court"** means the Hon'ble High Court of Uttar Pradesh at Allahabad or National Company Law Tribunal or any other relevant authority empowered to approve the Scheme, as the case may be.
- i) **"Scheme"** means this Scheme of Amalgamation pursuant to Section 391 to 394 of the Act, in its present form or with any modification(s), as the case may be approved for sanction by the High Court, which provides for amalgamation of Transferor Company with Transferee Company and other incidental and consequential matters.

### 3) SHARE CAPITAL DETAILS:

The position of the authorized, issued, subscribed and paid up capital of Companies as on 15<sup>th</sup> September 2008 is as follows:

	Transferor Company (amount in US\$)	Transferee Company (amount in lacs)
<b>Authorized share capital, or in the case of the Transferor Company, the maximum number of shares it is authorised to issue</b>	US\$ 2,000,001 divided into 2 distinct shares, 1 share with face value of 1 US\$ and another with face value of 2,000,000 US\$.	<p>i) 10,00,00,000 Equity Shares of Rs. 10/- Each <b>10,000.00</b></p> <p>ii) 1,00,00,000 Redeemable preference shares of Rs. 100/- Each : <b>10,000.00</b></p> <p><b>Total:</b> <b>20,000.00</b></p>
<b>Issued And Subscribed Share Capital</b>	US\$ 2,000,001 divided into 2 distinct shares, 1 share with face value of 1 US\$ and another with face value of 2,000,000 US\$.	<p>i) 5,21,22,850 Equity Shares of Rs. 10/- each : <b>5,212.29</b></p> <p>ii) 1,00,00,000 7.85 % Redeemable Cumulative Preference Shares of Rs. 100/- each : <b>10,000.00</b></p> <p><b>Total :</b> <b>15,212.29</b></p>
<b>Paid Up Share Capital</b>	US\$ 2,000,001 divided into 2 distinct shares, 1 share with face value of 1 US\$ and another with face	<p>i) 5,21,22,050 Equity Shares of Rs. 10/- each : <b>5,212.21</b></p> <p>Add: Forfeited Capital</p>

		Paid Up Rs.5 (Rs.10/- each been forfeited)  II) 1,00,00,000 7.65 % Redeemable Cumulative Preference Shares of Rs.100/- each : <b>10,000.00</b>  <b>Total :</b> <b>15,212.25</b>
--	--	---

#### **PURPOSE:**

The Transferee Company is into the business of pipe manufacturing and has business interest and investments in overseas companies either directly or indirectly through its step down subsidiaries. The Transferor Company is engaged in investment activities and having investment, directly and indirectly in the companies having pipe manufacturing activities and other value added activities such as pipe coating, etc which are incidental to the attainment of main objects of the Transferee Company. The amalgamation of the Transferor Company with the Transferee Company will reduce the layer of step down subsidiary structure of the Transferee Company thereby reducing its operating and administrative costs. The amalgamation will also enable the Transferee Company to consolidate its business operations and provide impetus to the growth of the Transferee Company. The Scheme will integrate the entities into one entity, as a result, will add on significant financial strength to the Transferee Company which will offer a strong financial structure to all the creditors, facilitate resource mobilization and achieve better cash flows.

#### **PART 2**

#### **AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEE COMPANY**

With effect from the Appointed Date the entire business including all the property, corporeal and incorporeal, present or contingent and other assets including but not limited to cash & bank balance, loans, advances, investments etc shall, pursuant to and in terms of Section 39 of the Act without any further or deed, be transferred to and vested in Transferee Company so as to become the assets of the Transferee Company from the Appointed Date. It is provided that the Board of Directors of the Transferee Company shall be entitled, at its discretion,

*[Signature]*



and as early as practicable

determine the classification and treatment of any or all of the assets transferred to and vested in the Transferee Company pursuant to the Scheme.

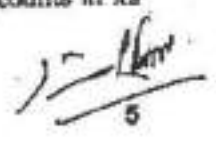
6 It is expressly provided that in respect of such of the Transferor Company's assets as are movable in nature, or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by confirmation or consent, the same may be so transferred pursuant to the provisions of Section 394 of the Act to Transferee Company and shall upon such transfer become the property of Transferee Company. In respect of such of the Transferor Company assets other than those referred hereinabove, the same shall, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to an order being made thereof under Section 394 of the Act.

8 Any statutory licenses, permissions, approvals, or consents to carry on the operations of Transferor Company shall, to the extent applicable, stand vested in or transferred to Transferee Company without any further act or deed, and shall be appropriately transferred /endorsed /mutated by the authorities concerned therewith in favour of Transferee Company upon the vesting and transfer of the business/undertaking of the Transferor Company pursuant to this Scheme. The benefit of all such statutory and regulatory permissions, and other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

With effect from the Appointed Date all debts, liabilities, duties and obligations, if any, of the Transferor Company shall without any further act or deed be and stand transferred to the Transferee Company pursuant to the provisions of Section 394 of the Act.

With effect from the Effective Date and till such time the names of the bank accounts of Transferor Company are replaced with that of Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of Transferor Company in the name of Transferor Company as if it were a bank account of Transferee Company, in so far as may be necessary and thereafter, subject to the provisions of applicable laws, shall continue to operate the said bank accounts in its (Transferee Company's) own name.



  
5

any suits, notices, actions and proceedings by or against Transferor Company are pending and/or arise on the Effective Date, the same shall be continued and be enforced by or against Transferee Company as effectually as if the same had been pending and/or arising by or against Transferee Company.

**Transferee Company** undertakes to have all legal or other proceedings initiated by or against **Transferor Company** referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against **Transferee Company**.

With the Scheme coming into effect, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature, if any, to which Transferor Company is a party or to the benefit of which Transferor Company may be eligible, and which are subsisting on the Effective Date, shall be in full force and effect against or in favour of Transferee Company, as the case may be and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto. Transferee Company shall, if required, wherever necessary, enter into and/or issue and/or execute deeds, writings or confirmations, enter into any arrangements, confirmations or novations to which Transferor Company is a party in order to give formal effect to the provisions of this clause.

With the Scheme coming into effect, all the permanent employees in the service of Transferor Company immediately preceding the Effective Date, if any, shall become employees of Transferee Company on the basis that:

- (i) Their services shall be deemed to have been continuous and not have been interrupted by reasons of the said transfer.
- (ii) The terms and conditions of service applicable to employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately preceding the transfer.

resolutions, if any, of Transferor Company, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and shall be considered as resolutions of Transferee Company to the extent

21-

*J. L. L.*

Since Transferee Company,

Company, with the Scheme becoming effective, no shares of Transferor Company shall be allotted to the shareholder of Transferor Company and the share capital of Transferor Company shall stand fully cancelled, the Transferee Company surrendering the relevant share certificates it holds in the Transferor Company for cancellation thereof.

The holders of the shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under the Articles of Association of the respective companies until the Effective Date.

Upon the Scheme coming into effect, Transferee Company shall account for amalgamation of Transferor Company with Transferee Company in its books with effect from the Appointed Date as specified hereunder:

- (a) All assets and liabilities (if any), recorded in the books of Transferor Company shall stand transferred to and vested in Transferee Company pursuant to the Scheme and shall be recorded by Transferee Company at their respective carrying amount as appearing in the books of Transferor Company.
- (b) An amount equal to the balance lying in the "Profit and Loss Account" as appearing in the Balance Sheet of Transferor Company shall be taken over by Transferee Company and aggregated with the balance in its Profit and Loss Account.
- (c) The excess or deficit, as the case may be, of the aggregate value of assets reduced by the aggregate value of liabilities, balance in Profit & Loss Account of Transferor Company, pursuant to the Scheme over the value of the inter-se loans and investments cancelled consequent to the Amalgamation shall be credited to/adjusted in the General Reserve account and the same shall be treated as free reserve forming part of the net worth of Transferee Company.

2.13 (a) Transferee Company agrees to submit to the Registrar of Companies appointed under the laws of British Virgin Island the following documents:

- (i) An agreement that a service of process may be effected on it in the British Virgin Island in respect of proceedings for the

enforcement of this Scheme, referred to in the  
Transferor Company.

- (ii) An irrevocable appointment of the Transferor Company's current registered agent Jordans (Caribbean) Limited appointed under the laws of British Virgin Island as its agent to accept service of process of proceedings referred to in subparagraph (i) above;
  - (iii) An agreement that it will promptly pay to the dissenting members of the Transferor Company the amount, if any, to which they are entitled under the BVI Act with respect to dissenting members; and
  - (iv) Order of this Hon'ble High Court evidencing the effectiveness of the merger of Transferor Company into and with Transferee Company.
- (b) All other procedures required to be followed under the laws of British Virgin Island for the merger of Transferor Company into and with Transferee Company will be carried out and implemented in its entirety in order to give full effect to the provisions of this Scheme.
- (c) Anything contained in this Scheme which is contrary to the provisions of the laws of the British Virgin Islands, shall not have an overriding effect over the provisions of the laws of British Virgin Island and in order to give effect to such laws, the relevant portions of the Scheme shall be modified as provided in Clause 3.2 of the Scheme hereinbelow.

### **PART- 3**

#### **OTHER TERMS & CONDITIONS**

#### **3.1 Application to the Hon'ble High Court:**

Transferor Company and the Transferee Company shall, with all reasonable time file applications / petitions / intimations / approvals to the Hon'ble High Court and to the Registrar of Companies, appointed under the laws of British Virgin Islands, as the case may be, or other such other competent authority under Sections 391 and 394 and other applicable provisions of the Act and under the provisions of the BVI Act, for sanctioning the Scheme and for the merger of Transferor Company into and with Transferee Company and for convening and/or seeking

exception to convene the meeting of the shareholders, creditors, and to obtain all other approvals as may be required under applicable law.

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

Transferor Company by its Board of Directors may make or assent from time to time on behalf of all persons concerned to any extension, modification or amendments of this Scheme or any of conditions or limitation which the Hon'ble High Court and/or any authority may deem fit to approve of or impose or which may otherwise be considered necessary, desirable or appropriate by the Board of Directors of the Transferor Company to resolve all doubts or difficulties that may arise in carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effect.

For the purpose of giving effect to this Scheme or to any modification or amendments thereof, the Board of Directors of Transferor Company may give and are authorized to give all such directions as are necessary including directions for settling any question or doubt or difficulty that may arise.

If any part of this Scheme hereof is ruled illegal or invalid by, or is not sanctioned by the Hon'ble High Court, or is unenforceable under present or future laws, or which otherwise is considered unnecessary, undesirable or inappropriate at any stage by the Board of Directors, 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.

#### **Effect of non-receipt of approvals/sanctions:**

In the event that any of the sanctions and approvals are not obtained and/or the Scheme is not sanctioned by the Hon'ble High Court or such other competent authority on or before 31<sup>st</sup> December 2009 or within such further period or periods as may be agreed upon by and among Transferor Company and the Transferee Company, this Scheme shall



and revoked and cancelled and become null and void and be of no effect and in that event, no rights and liabilities whatsoever, shall accrue or be incurred inter-se by and between Transferor Company and the Transferee Company or their shareholders or creditors or employees or any other person.

In the event any conditions are imposed by the Hon'ble High Court and/or competent authority which the Transferor Company and/or Transferee Company find unacceptable for any reason or in the event that the Board of Directors of Transferor Company and the Transferee Company wish to, then they are at liberty to withdraw from the Scheme.

If any part of this Scheme is found to be unworkable for any reason whatsoever the same shall not, subject to the decision of Transferor Company and the Transferee Company affect the validity of or implementation of the other part and/or the provisions of this Scheme.

**Expenses Connected with the Scheme:**


Transferee Company shall bear all costs, charges and expenses in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the terms in pursuance of this Scheme.

Dated this 27<sup>th</sup> day of July, 2009.

(BY THE COURT)

  
REGISTRAR GENERAL

  
23/7/09

TRUE COPY  
  
Secretary Officer  
Company & Investments  
High Court, Patna

  
23/7/09

  
17-7-09



**S.D. Singh, Advocate**  
Chamber No. 81, High Court, Alld.  
R/o. 12 -C, Lohia Marg Allahabad.  
Phone no. 2424595.

**District - Mathura**

**Company Petition no. 21 of 2011**

**In the Matter of : Jindal Saw Ltd.**

**Petitioner Company no. 1 /  
Transferor Company**

**And**

**Hexa Tradex Limited.**

**Pettitioner Company no. 1 /  
Transferee Company**

**Formal Order dated ..... 19-9-2011**

Date of Application 19-9-11  
Date of Reply 26-9-11  
Date of Issue 19-9-11  
Issuing Clerk

RECEIVED  
no. 250  
19-9-11

**IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD**

**ORIGINAL COMPANY JURISDICTION**

**COMPANY PETITION NO. 21 OF 2011**

**CONNECTED WITH**

**COMPANY APPLICATION NO. 1 OF 2011**

**(under Sections 391-394 of the Companies Act 1956)**

**DISTRICT : MATHURA**

**IN THE MATTER OF**

**The Companies Act, 1956**

**AND**

**IN THE MATTER OF**

**Petition to sanction the Scheme of Arrangement and Demerger  
between Jindal Saw Limited AND Hexa Tradex Limited**

**AND**

**IN THE MATTER OF**

**JINDAL SAW LIMITED,** a  
company duly incorporated and  
existing under the Companies  
Act, 1956, having its Registered  
Office at A1, UPSIDC Industrial  
Area, Nandgaon Road, Kosi Kalan,  
District Mathura, Uttar Pradesh -  
281403.

**...Petitioner Company  
No.1/  
Transferor Company**

**AND**

**HEXA TRADEX LIMITED,** a  
company duly incorporated and  
existing under the Companies  
Act, 1956, having its Registered  
Office at A-1, UPSIDC Industrial  
Area, Nandgaon Road, Kosi  
Kalan-281403, District Mathura  
(UP).

**...Petitioner Company 2/  
Transferee Company**

Before Mr. Justice ARUN TANDON

Dated 29.08.2011.

ORDER ON PETITION

The above company petition coming up for hearing on 29.8.2011, upon reading the said petition; the order dt. 18.2.2011 passed in Company Application No. 1 of 2011 whereby the company Jindal Saw Limited having its registered office at A1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura) was ordered to convene separate meetings of its Equity Shareholders, Secured Creditors and Unsecured Creditors of above company for the purpose to considering, and if thought fit, approving, with or without, modification, the Scheme of Arrangement & Demerger proposed between the company Jindal Saw Limited and the company Hexa Tradex Limited which is annexed to the affidavit of Sri Sunil Jain dated 21.4.2011, filed on 22<sup>nd</sup> April 2011; the Times of India dated 7.3.2011, Amar Ujala published from Agra dated 7.3.2011, Asian Wall Street Journal circulated in Asia dated 11.3.2011 and Financial Times circulated in Europe dated 10.3.2011, each containing the advertisement of the said notices convening the said meetings directed to be held by the said order dated 18.2.2011; affidavit of Sri Dinesh Kacker, Advocate, Sri Gajendra Pratap, Senior Advocate and Sri A.K. Goyal, Advocate, showing the publication and dispatch of the notices convening the said meetings; the report of the aforesaid Chairmen of the said meetings dated 8.4.2011, 9.4.2011 and 10.4.2011 as to result of the said meetings; upon hearing Sri S.D. Singh, Advocate for the applicant and Sri U.S. Patole, Learned Counsel for the Official Liquidator and; it appearing from reports of the Chairmen that the proposed Scheme of Arrangement & Demerger has been approved unanimously by the

Equity Shareholders, Secured Creditors and Unsecured Creditors of the company, present and voting in person or by proxy.

In view of the aforesaid, Scheme of Arrangement & Demerger as submitted on behalf of petitioner companies, namely, M/s Jindal Saw Limited and M/s Hexa Tradex Limited is sanctioned.

This court doth hereby sanction the Scheme of Arrangement & Demerger set forth in Annexure-5 to this Company Petition and in the schedule hereto, and doth hereby declare the same to be binding on the equity shareholders, secured creditors and unsecured creditors of the above named companies and also on the said companies.

That the parties to the Scheme of Arrangement & Demerger or other persons interested shall be at liberty to apply to this court for any directions that may be necessary in regard to the working of the compromise or arrangement, and

That the said company do file with the Registrar of Companies a certified copy of this order within thirty days from this date.

That any person interested shall be at liberty to apply to the court in the above matter for any directions that may be necessary.

#### **SCHEDULE I**

Scheme of Arrangement & Demerger as Sanctioned by the  
Court- **Annexed**

#### **SCHEDULE II**

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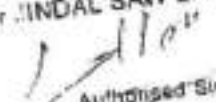
**SCHEME OF ARRANGEMENT AND DEMERGER**

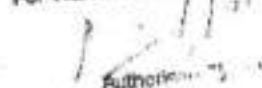
**BETWEEN**

**JINDAL SAW LIMITED  
AND ITS SHAREHOLDERS AND CREDITORS**

**AND**

**HEXA TRADEX LIMITED  
AND ITS SHAREHOLDERS AND CREDITORS**

For JINDAL SAW LIMITED  
  
Authorized Signatory

For HEXA TRADEX LIMITED  
  
Authorized Signatory

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## PART-I

### 1. INTRODUCTION AND DEFINITIONS

#### 1.1 Introduction

1.1.1 JINDAL SAW LIMITED ("**Jindal Saw**" or the "**Transferor Company**") is an existing company within the meaning of the Companies Act, 1956, having its registered office at A1, UPSIDC Industrial Area, Nandgoan Road, Kosi Kalan District, Mathura, Uttar Pradesh - 281403. Jindal Saw was incorporated on 31 October 1984 and its name was changed from Saw Pipes Limited to its present name "Jindal Saw Limited", on 11 January 2005.

1.1.2 Jindal Saw is listed on the National Stock Exchange of India and the Bombay Stock Exchange. Further, the Foreign Currency Convertible Bonds ("**FCCBs**") issued by Jindal Saw are listed on the Singapore Exchange Securities Trading Limited.

1.1.3 Currently, Jindal Saw is engaged in primarily three distinct and diverse business activities through the following undertakings, namely:

- (a) Pipe manufacturing business undertaking - business of manufacturing of large diameter pipes and coating of pipes, seamless tubes, and Ductile Iron - (DI) pipes ("**Pipe Manufacturing Business**");
- (b) Other manufacturing, infrastructure management and allied businesses undertaking - business of water, waste water and solid waste management, domestic transportation and logistics and transportation equipment fabrication as well as steel strip rolling business ("**Other Manufacturing**");

For JINDAL SAW LIMITED

For JINDAL SAW LIMITED

**and Infrastructure Management Business");**  
and

- (c) Investment business undertaking - investment business that includes investments in shares and other securities of group companies and granting of loans and advances to group companies ("**Investment Undertaking**").

(the Pipe Manufacturing Business and Other Manufacturing and Infrastructure Management Businesses collectively referred to as the ("**Core Business**")

The above business activities is either carried out by Jindal Saw directly and / or through Jindal Saw's subsidiaries.

1.1.4 Hexa Tradex Limited (the "**Transferee Company**") is a company incorporated under the Companies Act, 1956, having its registered office at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan-281403, Distt. Mathura (UP). The Transferee Company is a wholly owned subsidiary of Jindal Saw and is authorized to engage in the business of *inter alia*:

- (a) acting as an import and export agent, representative, contractor, selling agent, broker on a whole sale cash and carry basis for metals, minerals, iron and steel products, pipes, households items, general merchandise etc; and
- (b) holding investments in other entities and to buy, invest in, acquire, hold shares, stocks, debentures, debenture stocks, bonds, and securities of any kind etc.

1.1.5 Each of the activities carried out by Jindal Saw is distinct and diverse in its business characteristics, growth trajectories, risk profiles and require entirely

For JINDAL SAW LIMITED



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different approaches. With the end and intent of realigning the business operations undertaken by Jindal Saw, it is proposed to transfer and vest the Investment Undertaking in the Transferee Company, through the Scheme (as defined below), resulting in Jindal Saw (Residual) (as defined below) engaged purely in the management and development of the Core Business.

1.1.6 The transfer and vesting of the Demerged Undertaking (as defined below) in the Transferee Company, shall be in the larger interest of the shareholders, creditors and employees of the Transferor Company and shall be in the interest of future growth of the Transferee Company. The transfer and vesting shall achieve the following benefits for the Transferor Company and the Transferee Company:

- (a) the demerger will enable Jindal Saw to focus and enhance its remaining business operations by streamlining operations and cutting costs;
- (b) the demerger will enable the better and more efficient management, control and running of the Investment Undertaking and the Core Business;
- (c) the demerger is in the interest of shareholders of Jindal Saw and will enable both Jindal Saw and the Transferee to achieve and fulfill their objectives more efficiently and offer opportunities to the management of both the companies to vigorously pursue growth and expansion opportunities;
- (d) the demerger will enable investors to separately hold investments which best suit their investment strategies and risk profiles; and
- (e) the demerger of Investment Undertaking would result in issuance of equity shares to the



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shareholders of the Company by the Transferee, thereby, resulting in unlocking and maximizing shareholder value.

- 1.1.7 The shareholding pattern of the Transferee Company pursuant to the proposed demerger of the Demerged Undertaking would be the mirror image of the existing shareholding pattern of Jindal Saw (pre-demerger) as the new shares of Transferee Company would be issued to the existing shareholders of Jindal Saw in proportion to their shareholding in Jindal Saw.
- 1.1.8 The demerger of the Demerged Undertaking in accordance with this Scheme shall take effect from the Appointed Date and shall be in accordance with Section 2(19AA) of the Income Tax Act, 1961.
- 1.1.9 Since the Transferee Company is a wholly owned subsidiary of Jindal Saw, the vesting of Demerged Undertaking from Jindal Saw to the Transferee Company is exempt from payment of stamp duty under the Finance Department Notification No.M.599/X - 501, dated March, 25, 1942 (which is applicable to the State of Uttar Pradesh) remitting stamp duty payable for vesting of property between a parent company and a subsidiary company, one of which is the beneficial owner of not less than 90 percent of the issued share capital of the other.

1.2 Definitions & Interpretations

In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning as mentioned hereinbelow:

**"Act"** means the Companies Act, 1956 (Act No. 1 of 1956), the rules and regulations made thereunder and

For JINDAL SAW LIMITED

For HEXA TRADE LIMITED  
Authorised Signatory



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will include any statutory modification or re-enactment thereof.

**"Appointed Date"** means January 1, 2011.

**"Board of Directors"** in relation to Jindal Saw, Jindal Saw (Residual) and/or the Transferee Company, as the case may be, means their respective board of directors and shall, unless repugnant to the context or otherwise, include a committee of directors or any person authorized by the Board of Directors or such committee of directors.

**"Core Business"** has the meaning assigned to it in Clause 1.1.3.

**"Demerged Undertaking"** means the Investment Undertaking of Jindal Saw and includes the business of investments in shares and other securities of group companies and granting of loans and advances to group companies, on a going concern basis as on the Appointed Date Without prejudice and limitation to the generality of the above, the Demerged Undertaking shall mean and include:

- (a) All assets wherever situated, tangible or intangible, including all current assets, deposits including accrued interest, loans and advances (including without limitation investment in shares in the Group Companies and loans and advances to the Group Companies) together with all present and future liabilities (including contingent liabilities) appertaining or relatable thereto;
- (b) any and all permits, rights, entitlements, allotments, approvals, consents, concessions, exemptions, liberties, advantages, no-objection

For JINDAL SAW LIMITED

For MEAN

Author

certificates, certifications, registrations, trade names, trademarks, service marks, copyrights, domain names, easements, goodwill, licences, tenancies, offices, sales tax credits, income tax credits, privileges and benefits of all contracts, agreements, and all other rights including lease rights, licences, powers and facilities of every kind and description whatsoever pertaining to the said Demerged Undertaking;

- (c) any and all earnest monies and/or security deposits, payment against warrants or other entitlements in connection with or relating to the said Demerged Undertaking;
- (d) all such permanent employees of Jindal Saw on the Appointed Date as are engaged in or in relation to the said Demerged Undertaking; and
- (e) any and all debts, borrowings, guarantees, assurances, commitments, obligations and liabilities, whether fixed, contingent or absolute, asserted or unasserted, present or future, whether secured or unsecured, pertaining to the said Demerged Undertaking.

The details of the Investment Undertaking being demerged is provided in **Schedule I** hereto.

**"Effective Date"** means the date on which the last of the events specified in Clause 5.11 of Part V of the Scheme has occurred and the Scheme made effective with effect from the Appointed Date.

**"FCCBs"** has the meaning assigned to it in Clause 1.1.2 hereof.

For JINDAL SAW LIMITED

For HEDERA TRANSFER LIMITED

Authorized Signatory



**"Group Companies"** means Hexa Securities and Finance Company Limited, JSW Steel Limited, Jindal South West Holdings Limited, Rohit Tower Building Limited, and Sona Bheel Tea Limited.

**"High Court"** means the Hon'ble High Court of Allahabad.

**"Investment Undertaking"** has the meaning assigned to it in Clause 1.1.3 hereof.

**"Jindal Saw" or "Transferor Company"** has the meaning assigned to it in Clause 1.1.1 above.

**"Jindal Saw (Residual)"** is the term used to refer to the residual Jindal Saw, as would emerge immediately after the transfer and vesting of the Demerger Undertaking in the Transferee Company.

**"NCLT"** has the meaning as assigned to it in Clause 1.4 hereof.

**"Record Date"** has the meaning as assigned to it in Clause 4.2 hereof.

**"Scheme"** means this Scheme of Arrangement and Demerger in its present form, with or without modifications, as may be approved for sanction by the Hon'ble High Court.

**"Transferee Company"** has the meaning assigned to it in Clause 1.1.4 above.

- 1.3 Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date.

For JINDAL SAW  
 Authorised Signatory

For JINDAL SAW  
 Authorised Signatory



- 4.4 The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996, the Income Tax Act, 1961 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Hon'ble High Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal ("NCLT") or such other forum or authority, as may be vested with any of the powers of a High Court under the Act.

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For HEXA: ~~STANDARD~~

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<b>PART-II</b>
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**2. CAPITAL STRUCTURE**

2.1 The capital structure of Jindal Saw, as on 30<sup>th</sup> September 2010 is as under:

<b>A. Authorized Share Capital</b>	<b>Amount in Rs.</b>
500,000,000 Equity Shares of Rs. 2/- each	1,000,000,000
10,000,000 Cumulative Redeemable Preference Shares of Rs. 100/- each	1,000,000,000
<b>Total</b>	<b>2,000,000,000</b>

<b>B. Issued and Subscribed Share Capital</b>	
276,230,771 Equity Shares of Rs. 2/- each	552,461,542
<b>Total</b>	<b>552,461,542</b>

<b>C. Paid up Share Capital</b>	
276,226,771 Equity Shares of Rs. 2/- each	552,453,542
4,000 Equity Shares of Rs. 2/- each (partly paid up Rs 1 each, forfeited shares)	4,000
<b>Total</b>	<b>552,457,542</b>

2.2 The capital structure of the Transferee Company, as on 31<sup>st</sup> October 2010 is as under:

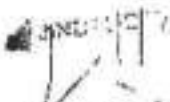
JINDAL SAW LIMITED  
Authorized Signatory

For HEMA (M...)  
Authorized Signatory



A. Authorized Share Capital		Amount in Rs.
250,000 Equity Shares of Rs. 2/- each		5,00,000
	<b>Total</b>	<b>5,00,000</b>

B. Issued, Subscribed and paid up Share Capital		
250,000 Equity Shares of Rs. 2/- each		5,00,000
	<b>Total</b>	<b>5,00,000</b>

  
 Authorised Signatory

For MDXA (HABLA) LIMITED

Authorised Signatory

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**PART-III**

**3. DEMERGER, TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING IN THE TRANSFeree COMPANY**

- 3.1 Upon this Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking of Jindal Saw shall stand demerged and transferred (as a going concern) and be vested in and be managed by the Transferee Company, without any further deed or act, together with all its properties, assets, rights, benefits and interest therein, subject to existing charges, lien or *lis pendens*, if any thereon, in the manner described hereunder.
- 3.2 Without prejudice to the generality of the foregoing, upon the Scheme becoming effective, with effect from the Appointed Date:
- (i) any and all assets relating to the Demerged Undertaking, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by delivery instructions in relation to dematerialized shares or transfer by vesting and recordal pursuant to this Scheme shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery or by delivery instructions in relation to dematerialized shares or by vesting, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly. No stamp duty

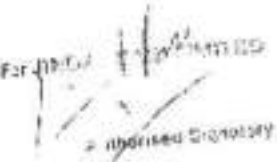


shall be payable on the transfer of such movable properties (including shares and other investments, which are in dematerialised form) forming part of the Demerged Undertaking and being vested in the Transferee Company;


- (ii) any and all movable properties of Jindal Saw relating to the Demerged Undertaking, other than those specified in sub-clause (i) 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, customers and other persons shall without any further act, instrument or deed become the property of the Transferee Company;
- (iii) any and all debts, liabilities, contingent liabilities, duties and obligations of Jindal Saw relating to the Demerged Undertaking, whether secured or unsecured, whether provided for or not or disclosed in the books of accounts of Jindal Saw, shall stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company. The Transferee Company undertakes to meet, discharge and satisfy the same to the exclusion of Jindal Saw. 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, duties and obligations have arisen in order to give effect to the provisions of this Clause.

Where any of the loans, liabilities and obligations attributed to the Demerged Undertaking on or

For Jindal Saw



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after the Appointed Date have been discharged by Jindal Saw on behalf of the Demerged Undertaking after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been discharged by Jindal Saw for and on behalf of the Transferee Company;

- (iv) any and all contracts, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, undertakings, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever description and nature in relation to the Demerged Undertaking to which Jindal Saw is a party or to the benefit of which, the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall stand vested and transferred to the Transferee Company and be in full force and effect on or against or in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of Jindal Saw, the Transferee Company had been a party or beneficiary or obligee thereto;
- (v) any and all registrations, goodwill, licenses, trademarks, trade names, service marks, patents, copy rights, domain names and all such rights of whatsoever description and nature in relation to the Demerged Undertaking to which Jindal Saw is a party or to the benefit of which the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall stand vested and transferred to the Transferee Company and be and remain in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of Jindal Saw,

For JINDAL

Authorized Signatory

For JINDAL

the Transferee Company had been a party or beneficiary or obligee thereto;

- (vi) any and all statutory or regulatory licenses, no-objection certificates, permissions, approvals, consents, quotas, rights, entitlements, exemptions, registrations, certificates, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto in relation to the Demerged Undertaking which are subsisting or having effect immediately before the Effective Date, shall stand vested in and be transferred to the Transferee Company, without any further act or deed done by Jindal Saw or the Transferee Company and be in full force and effect in favour of the Transferee Company. If the consent or recordal of any licensor or authority is required to give effect to the provisions of this Clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of the Scheme by the Hon'ble High Court, and upon the Scheme becoming effective in accordance with the terms hereof.

With effect from the Appointed Date, any such statutory and regulatory no-objection certificates, licenses, permissions, consents, approvals, authorizations or registrations, as are jointly held for the Demerged Undertaking and the Jindal Saw (Residual) shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights, and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate/substitute or record the separation,

For Jindal Saw  
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upon filing of this Scheme (as sanctioned by the High Court) with such authorities and licensors after this Scheme becomes effective, so as to facilitate the continuation of operations in the Transferee Company;

- (vii) all permanent employees of Jindal Saw, engaged in or in relation to the Demerged Undertaking shall be engaged by the Transferee Company, without any interruption of service and on such terms and conditions, as are no less favourable than those on which they are currently engaged by Jindal Saw.

With regard to provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of such employees of Jindal Saw, the Transferee Company shall, upon this Scheme becoming effective and with effect from the Appointed Date, stand substituted for Jindal Saw for all purposes whatsoever, including with regard to the obligation to make contributions to the said funds and schemes, in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by Jindal Saw for such employees of the Demerged Undertaking shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company. Pending such transfer, the contributions required to be made in respect of such employees

For JINDAL SAW LIMITED  
 For HCCS Limited  
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name and account and to the extent possible, to the exclusion of Jindal Saw. The Transferee Company further undertakes to pay all amounts including interest, penalties, damages, etc., which may be called upon to be paid or secured in respect of any liability or obligation relating to the Demerged Undertaking for the period up to the Effective Date. Any reasonable costs incurred by Jindal Saw, in respect of the proceedings started by or against it relating to the Demerged Undertaking and for the period up to the Effective Date shall be reimbursed by the Transferee Company, upon submission of necessary evidence of having incurred such costs by Jindal Saw to the Transferee Company; and

- (ix) all taxes, duties, cess payable by Jindal Saw relating to the Demerged Undertaking including all or any refunds/credit/claims relating thereto shall be treated as the liability or refunds/credit/claims, as the case may be, of the Transferee Company.

3.3 Upon the Scheme becoming effective, the secured creditors of Jindal Saw, relating to the Jindal Saw (Residual) shall not be entitled to security over properties, assets, rights, benefits and interest of the Transferee Company.

3.4 Jindal Saw and/or the Transferee Company, as the case may be, shall at any time after the coming into effect of this Scheme and in accordance with the provisions hereof, if so required under any law or otherwise, shall execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking to which Jindal Saw has been a party, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be

For JINDAL SAW  
 For HESAW  
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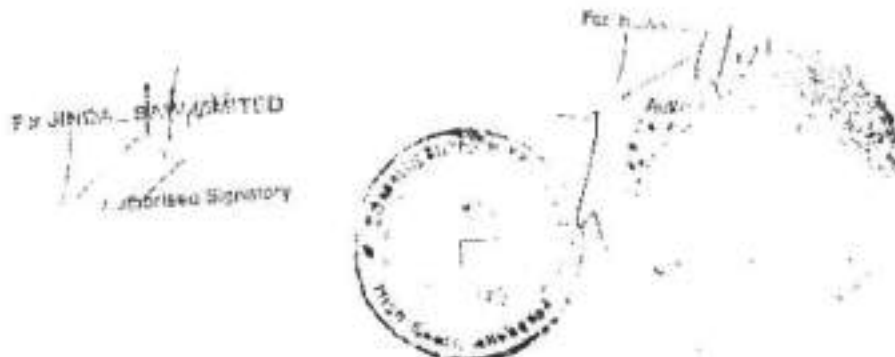


deemed to be authorized to execute any such writings on behalf of Jindal Saw and to carry out or perform all such formalities or compliances referred to above on part of Jindal Saw.

### 3.5 Conduct of Business

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

- (a) Jindal Saw undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the properties and assets of the Demerged Undertaking, for and on account of and in trust for the Transferee Company; and
- (b) Jindal Saw shall carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not in respect of the said undertaking, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment, either for itself or its group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal, except:
  - (i) when the same is expressly provided in this Scheme; or
  - (ii) when the same is in the ordinary course of business, as carried on by it as on the date of filing of this Scheme in the Hon'ble High Court; or



- (iii) when a written consent of the Transferee Company has been obtained in this regard.
- (c) except by mutual consent of the Boards of Directors of Jindal Saw and the Transferee Company and subject to changes pursuant to commitments, obligations or arrangements made prior to the Appointed Date, or as part of this Scheme, pending sanction of this Scheme, Jindal Saw and the Transferee Company shall not make any change in their respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner effect the reorganisation of capital of Jindal Saw and the Transferee Company; and
- (d) Jindal Saw shall not alter or substantially expand the business of the Demerged Undertaking, except with the written concurrence of the Transferee Company; and
- (e) all profits accruing to Jindal Saw and all taxes thereon or losses arising or incurred by it with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of the Transferee Company.
- 3.5.2 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the businesses of the Demerged Undertaking.
- 3.5.3 For the purpose of giving effect to the demerger order passed under Sections 391 and 394 of the Act in respect of this Scheme by the Hon'ble High Court, the

For JINDAL SAW LIMITED

For HEXATIME



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Transferee Company shall, at any time pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking in accordance with the provisions of Sections 391-394 of the Act. The Transferee Company shall be authorized to execute any pleadings, applications, forms etc., as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

3.5.4 The Transferee Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Demerged Undertaking of Jindal Saw with effect from the Appointed Date, in order to give effect to the foregoing provisions.

For JINDAL SAW  
[Signature]

For the Joint Venture  
[Signature]

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<b>PART-IV</b>
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**4. CONSIDERATION AND ACCOUNTING TREATMENT**

**4.1 Increase in Authorised share capital of the Transferee Company**

4.1.1 Upon this Scheme coming into effect and with effect from the Appointed Date, the authorized share capital of the Transferee Company of Rs. 5,00,000/- (Rupees Five Lacs) divided into 2,50,000 equity shares of Rs. 2/- (Rupees Two) each, in terms of Clause V of its Memorandum of Association shall stand enhanced by an amount of Rs. 14,95,00,000/- (Fourteen Crores Ninety Five Lacs).

4.1.2 Accordingly, the words and figures in Clause V of the Memorandum of Association of the Transferee Company shall stand modified and be substituted to read as follows:

*"The Authorized Share Capital of the Company is Rs. 15,00,00,000/- (Fifteen Crores) divided into 7,50,00,000 equity shares of Rs. 2/- (Rupees two) each and the Company shall have the power to issue shares at par or at a premium or at a discount and shall also have the power to increase or reduce its capital and to divide the capital for the time being into several classes- and attach thereto respectively such preferential, qualified, deferred, non-voting or special rights, privileges, conditions or restrictions attached thereto and as may be permissible by law and as may be determined by or in accordance with the Articles of Association of the Company for the time being in force, and to vary, modify or abrogate such rights, privileges or conditions in such manner as may be permitted by law and as may be provided by the Articles of*

For J.P. ALP...  
Authorized Secretary

For HEXA...  
Author...


*Association of the Company, for the time being in force."*

- 4.1.3 It is hereby clarified that for the purposes of this Clause 4.1, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under Section 16, Section 81, Section 94 or any other applicable provisions of the Act, would required to be separately passed.

#### 4.2 Consideration

Upon this Scheme becoming Effective, the Board of Directors of Jindal Saw (Residual) shall determine the record date ("**Record Date**"), which shall be later than the Effective Date, for issue and allotment of fully paid-up equity shares by the Transferee Company to the members of Jindal Saw (Residual) in accordance with this Clause and on determination of the Record Date, Jindal Saw (Residual) shall provide to the Transferee Company, the list of shareholders of Jindal Saw as on the Record Date who are entitled to the issue and allotment of the fully paid-up equity shares in terms of this Scheme, to enable the Transferee Company to issue and allot fully paid-up equity shares in terms of this Scheme.

Upon determination of the Record Date, the Transferee Company shall, in consideration of the transfer of the Demerged Undertaking, without further application, issue and allot to the equity shareholders of Jindal Saw as on the Record Date, 1 equity share of face value of Rs. 2/- (credited as fully paid-up) for every 5 fully paid-up equity shares of Rs. 2/- each held by them in Jindal Saw as on the Record Date.

For JINDAL SAW LIMITED  
 Authorised Signatory  
 For HEXA SAW LIMITED  
 Authorised Signatory  


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It is clarified that an FCCB holder that elects to convert its FCCBs into equity shares in accordance with its terms, and who is a shareholder of Jindal Saw (Residual) as of the Record Date will be issued and allotted equity shares of the Transferee Company in accordance with this Clause.

#### 4.3 Fractional Entitlements

In the event the aforesaid allotment of equity shares in accordance with Clause 4.2 results in fractional entitlements, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements and thereupon issue and allot whole equity shares in lieu thereof to the Company Secretary of the Transferee Company (or such other person as the Board of Directors of the Transferee Company shall appoint in this behalf), who shall hold such equity shares, in trust on behalf of the shareholders entitled to fractional entitlements, with the express understanding that such Company Secretary (or such other person as the Board of Directors of the Transferee Company appoints in this behalf) shall sell the same at such time, at such price or the prices and to such person or persons as he may deem fit and the net sale proceeds thereof (i.e. after deduction therefrom of expenses incurred in connection with the sale) shall be paid to the Transferee Company whereupon the Transferee Company shall distribute such net sale proceeds to the shareholders in proportion to their respective fractional entitlements. The Board of Directors of the Transferee Company, if it deems necessary, in the interests of allottees, approve such other method in this regard as it may, in its absolute discretion, deem fit.

#### 4.4 **Shares held in abeyance and forfeited shares**

For JINDAL SAW LIMITED

For THE TRANSFeree COMPANY

Authorized Signatory

Equity shares to be issued by the Transferee Company pursuant to Clause 4.2 above in respect of the equity shares of Jindal Saw which are held in abeyance shall also be kept in abeyance. The equity shares to be issued by Jindal Saw in respect of shares held in abeyance shall be dealt by the Transferee Company based on information periodically provided by Jindal Saw to the Transferee Companies. The equity shares to be issued by the Transferee Company pursuant to this Scheme in respect of the shares of Jindal Saw, which are forfeited shall also be kept in abeyance and dealt with by the Transferee Company based on information periodically provided by the Jindal Saw to the Transferee Companies.

5 All equity shares in the Transferee Company to be issued to the shareholders of Jindal Saw pursuant to this Scheme shall rank *pari passu* in all respects to the existing equity shares of the Transferee Company.

6 Each equity shareholder of Jindal Saw shall have the option, to be exercised by way of giving a notice to the Transferee Company, on or before such date, as may be determined by the Board of Directors of the Transferee Company, to receive the equity shares of the Transferee Company, either in certificate form or in dematerialized form. In the event that such notice has not been received by the Transferee Company in respect of any shareholder of Jindal Saw by the specified date or in the event of such a notice being incomplete, the shareholders of Jindal Saw who hold their equity shares in dematerialized form shall be issued equity shares of the Transferee Company in dematerialized form as per the records maintained by the Depositories as on the Record Date and those who hold shares in physical form shall be issued physical certificates. Wherever applicable, the certificates shall be sent by the Transferee Company to the shareholders of Jindal Saw at their respective

For JINDAL SAW LIMITED  
Authorized Signatory

For HEXA INDUSTRIES LIMITED  
Authorized Signatory



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registered addresses, as appearing in the Register of Members maintained by Jindal Saw (or in the case of joint holders to the address that one of the joint holders whose name stands first in such Register in respect of such joint holding) and the Transferee Company shall not be responsible for any loss in transit. The shareholders of Jindal Saw eligible to be issued shares in the Transferee Company in a dematerialized form shall receive dematerialized receipts of credit of new equity shares in their share accounts maintained with the depository, participants reflecting the equity shares of the Transferee Company issued in accordance with Clause 4.2 above. The Transferee Company shall, if so required, be eligible to issue letters of allotment of the equity shares pending issue of share certificates or receipts for credit to the account of the shareholders with the depository participants under the depository system.

- 4.7 On this Scheme becoming effective and with effect from the Appointed Date, the subsidiaries of Jindal Saw that are being transferred as part of the Demerged Undertaking shall cease to be subsidiaries of Jindal Saw and become subsidiary of the Transferee Company with effect from the Appointed Date. Accordingly, in respect of such subsidiaries, Jindal Saw shall discontinue compliance with the requirements of Section 212 and other applicable provisions of the Act and the Transferee Company shall comply with the said requirements of the Act with effect from the Effective Date.

4.8 Cancellation of shares held by Jindal Saw in the Transferee Company:

Simultaneous with the issuance and allotment of the equity shares by the Transferee Company in accordance with the Clause 4.2, the initial issued and paid up equity share capital of the Transferee

For JINDAL SAW LIMITED



For HEXA (HOLDING) PRIVATE LIMITED  
AUTHORITY

Company, comprising of 2,50,000 equity shares of Rs. 2/- each, aggregating to Rs. 5,00,000/-, as held by Jindal Saw (Residual) and its nominees shall be cancelled. The share certificates held by Jindal Saw (Residual) and its nominees representing the equity shares in the Transferee Company shall be deemed to be cancelled and non-est and not tradable from and after such cancellation.

#### 4.9 Listing of securities

The equity shares of the Transferee Company (as issued to the shareholders of Jindal Saw in accordance with the Clause 4.2) shall, subject to applicable regulations, be listed and admitted to trading, without any lock-in conditions on the National Stock Exchange, and Bombay Stock Exchange, where the equity shares of Jindal Saw are listed and are admitted to trading. The shares allotted by the Transferee Company pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the National Stock Exchange and Bombay Stock Exchange.

#### 4.10 Accounting Treatment

##### **Accounting treatment in the books of Transferor Company**

4.10.1 The difference between the book value of assets and liabilities transferred pursuant to the Scheme shall be adjusted in the books of Transferor Company in the manner decided by Board of Directors of the Transferor Company considering the adjustment against the following, in the order specified, to the extent required:

- (a) Capital Reserve Account;
- (b) Security Premium Account; and

9- JINDAL SAW  
1/1/2014  
1/1/2014

For HEXA JINDAL SAW  
AUTHOR  
1/1/2014

(c) The balance amount, if any; from General Reserve Account.

4.10.2 The investment by the Transferor Company in the share capital of Transferee Company shall stand cancelled on and from the Appointed Date and the same shall be adjusted against the Security Premium Account of the Transferor Company.

4.10.3 The reduction, if any, in the Securities Premium Account of the Transferor Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78 and Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.

#### **Accounting treatment in the books of Transferee Company**

4.10.4 With effect from the Appointed Date, all the assets and liabilities of the Demerged Undertaking shall be recorded at their book value by the Transferee Company.

4.10.5 The Transferee Company shall credit its Share Capital Account with the aggregate face value of the equity shares issued to the shareholders of Transferor Company pursuant to Clause 4.2 of this Scheme.

for JINIAL S&P LIMITED  
Authorised Signatory



4.10.6 The amount representing the surplus of assets and liabilities of the Demerged Undertaking over the aggregate face value of the share capital issued by the Transferee Company to the shareholders of the Transferor Company, shall be credited by the Transferee Company to the accounts specified below:

- (a) The amount adjusted against the Security Premium Account in the books of Transferor Company shall be correspondingly allocated and credited to the Security Premium Account in the books of Transferee Company; and
- (b) The balance amount, if any, shall be credited to the Capital Reserve.

4.10.7 The amount representing the deficit, if any, of assets and liabilities of the Demerged Undertaking over the aggregate face value of the share capital issued by the Transferee Company to the shareholders of the Transferor Company shall be treated as goodwill and the same may be dealt in any manner as may be determined by the Board of Directors of the Transferee Company.

4.10.8 The existing shareholding of the Transferor Company in the Transferee Company shall be cancelled as an integral part of this Scheme in accordance with provisions of Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable. Subsequently, the face value of the shares held by the Transferor Company, in

For JINDAL SAIRA LIMITED  
Authorized Signatory



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**PART-V**

## 5. GENERAL TERMS AND CONDITIONS

- 5.1 Upon this Scheme becoming effective, the accounts of Jindal Saw (Residual) and the Transferee Company, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.
- 5.2 Jindal Saw (Residual) and the Transferee Company are expressly permitted to file/revise their income tax returns and related TDS certificates and other statutory returns, if required and shall have the right to claim refunds, advance tax credits, etc., if any and shall have the right to claim refunds, advance tax credits, etc., if any, pursuant to the sanction of this Scheme:
- 5.3 Jindal Saw and the Transferee Company shall, with all reasonable dispatch, make necessary applications to the Hon'ble High Court under Sections 391 to 394 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective shareholders and/or creditors and for

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For JIN'ALISERV LIMITED

### Kaleidoscope Film story

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sanctioning of this Scheme, with such modifications, as may be approved by the Hon'ble High Court.

- 5.4 Upon this Scheme being approved by the requisite majority of the shareholders and creditors of Jindal Saw and of the shareholders of the Transferee Company (as may be directed by the Hon'ble High Court), Jindal Saw and the Transferee Company shall, with all reasonable dispatch, apply to the Hon'ble High Court, for sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the Act, and for such other order or orders, as the said Hon'ble High Court may deem fit for carrying this Scheme into effect.
- 5.5 Upon this Scheme becoming effective, the shareholders of both Jindal Saw and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.
- 5.6 All costs, expenses, charges, fees, taxes, duties, levies and all other expenses, if any, arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and incidental thereto shall be borne and paid by Jindal Saw.
- 5.7 Each of Jindal Saw and the Transferee Company (acting through their Boards of Directors) may in their full and absolute discretion, assent to any amendments, alterations or modifications to this Scheme, which the Hon'ble High Court and/or any other authorities may deem fit to direct, approve or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. Each of Jindal Saw and the Transferee Company (acting through their Boards of Directors) be and is hereby authorized to take such steps and do all acts, deeds and things, as may be necessary, desirable

for AL 10/1/2012

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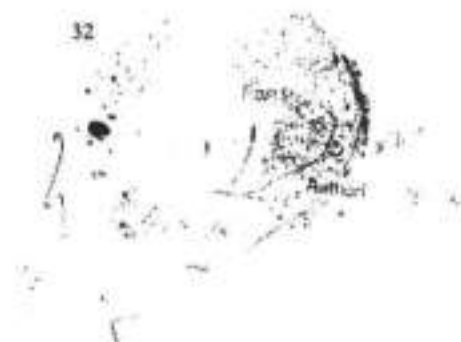


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or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of the order of the Hon'ble High Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith and may also in their full and absolute discretion, withdraw or abandon this Scheme at any stage prior to the Effective Date.

- 5.8 The stock exchanges at which Jindal Saw is listed, shall list the equity shares of the Transferee Company, subject to compliance with the Securities Exchange Board of India circular dated September 3, 2009 without the Transferee Company making an initial public offer, since the requisite minimum of 25% of the Transferee Company's paid-up share capital shall comprise shares allotted to the public holders of shares in Jindal Saw. Accordingly, the Transferee Company shall take steps for listing simultaneously on all such stock exchanges within a reasonable period from the Effective Date.
- 5.9 The Transferee Company undertakes that there shall be no change in the shareholding pattern or control in the Transferee Company between the Record Date and the listing which may affect the status of the approvals granted by the National Stock Exchange and the Bombay Stock Exchange.
- 5.10 Upon the Scheme becoming effective, the Transferee Company shall be permitted to revise its income tax returns, services tax returns, sales tax returns and other tax returns, and to claim refunds and /or credits, etc pertaining to the Demerged Undertaking, pursuant to the provisions of the Scheme.
- 5.11 Upon the Scheme becoming effective, the Jindal Saw (Residual) shall be expressly permitted to revise its

FOR JINDAL SAW LIMITED  
Authorized Signatory



income tax returns, services tax returns, sales tax returns and other tax returns, and to claim refunds and/or credits, etc, pertaining to the residual undertaking pursuant to the provisions of the Scheme.

5.12 This Scheme is conditional upon and subject to:

- (i) it being sanctioned by the Hon'ble High Court and certified copy of the order of the Hon'ble High Court sanctioning this Scheme being filed with the Registrar of Companies, Uttar Pradesh, by Jindal Saw and the Transferee Company respectively;
- (ii) redemption and/or conversion of all FCCBs issued by Jindal Saw. As per the Offering Circular dated May 30, 2006 issued by Jindal Saw in relation to issuance of the FCCBs, unless converted/ redeemed before, all FCCBs shall mature on July 1, 2011.

5.13 Jindal Saw and the Transferee Company shall make necessary applications before the Hon'ble High Court for sanction of this Scheme and any dispute arising out of this Scheme shall be subject to the jurisdiction of the Hon'ble High Court.

5.14 Upon the sanction of this Scheme and upon this Scheme becoming Effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order provided hereunder:

- (i) increase in the authorized share capital of the Transferee Company;
- (ii) demerger of the Demerged Undertaking and transfer and vesting thereof in the Transferee

For JINDAL SAW LIMITED

Authorized Signatory



Company, in accordance with Part III of this Scheme;

- 5.15 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between Jindal Saw and its shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.
- 5.16 If any part of this Scheme is held invalid, ruled illegal by any Court of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this 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 this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part.
- 5.17 The transfer of properties and liabilities to and the continuance of proceedings by or against the Transferee Company as envisaged in Part III above shall not affect any transaction or proceedings already concluded by Jindal Saw on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by Jindal Saw in respect thereto as done and executed on behalf of itself.

OF JINDAL SAW LIMITED  
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Authorized signatory

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For His Signature  
Authorizing signatory



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**SCHEDULE I****Details of assets and liabilities of the Demerged Undertaking**

<b>Description</b>	<b>Projected details as at 1st January 2011 Rs. in lacs</b>
Investments	2,558.91
Current assets, loans and advances	19,834.54
Current liabilities and provisions	3.95
Unsecured Loan	500.00



**INDIAL STATE LIMITED**

Authorised Signatory

For HEXA Group

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## PART - I

Short Description of Freehold Property of the Demerged Company (Jindal Saw Limited) to be transferred to and vested in the Resulting Company (Hexa Trades Limited)

(i) Particulars of ) and:

State	District	Taluk/ Village	Survey No./Khasra No. and sub-division No. or other identification No. given for revenue purposes	Area (hectare/square metres)
			---Not applicable---	

## PART - II

Short Description of the Lease Hold Property of the Demerged Company (Jindal Saw Limited) to be transferred to and vested in the Resulting Company (Hexa Trades Limited)

State	District	Taluk	Survey and sub-division No. or other identification No. given for revenue purposes	Area (hectare/square meter)
			---Not applicable---	

## PART - III

Short Description of Stocks Shares and Debentures and other charges in action of the Demerged Company (Jindal Saw Limited) to be transferred to and vested in the Resulting Company (Hexa Trades Limited)

Shares/Bonds/Fixed deposits/ Debentures held as per details given below

Sl No.	Particulars Share	No. of Shares	Total Face Value	Book Value (Rs.)
1.	Equity Shares			
	- Investment in Equity Shares of Hexa Securities & Finance Co. Ltd.	25,500,000	25,50,00,000	25,50,00,000
	- Investment in Equity Shares of JSW Steel Ltd.	1362	13620	38175

	- Investment in Equity Shares of Jindal South West Holdings Ltd.	334	3340	22745
	- Investment in Equity Shares of Rohit Tower Building Ltd.	2400	2,40,000	2,40,030
	- Investment in Equity Shares of Sona Wheel Tex Ltd.	85,025	8,60,250	5,90,048
II.	<p>All Current Assets, Loans and Advances and cash / bank as per Books of Investment Business (Demerged Undertaking) of the Demerged Company.</p> <p><b>A. Current Assets, Loans and Advances and Cash/ bank:</b></p> <p>1. Advances recoverable in cash or in kind or for value to be received: Rs. 1,36,471/-</p> <p>2. Loan to Subsidiary Company, Hexa Securities &amp; Finance Company Limited having its registered office at Sayyagrath Chavani, Lane No. 21, Banglow No. 508, Nr. Jodhgar Cross Road, Satellite, Ahmedabad- 380015: Rs. 1,92,72,91,229/-</p> <p><b>B. All Current Liabilities and Provisions:</b></p> <p>1. Current Liabilities: Rs. 81,618/-</p> <p>2. Provision for Leave Encashment: Rs. 1,34,803/-</p> <p>3. Provision for Gratuity: Rs. 8093/-</p>			

DATED THIS 15th DAY OF SEPT, 2011.

(BY THE COURT)

REGISTRAR GENERAL

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Chamber No. - 178

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email - [diptiman.singh79@gmail.com](mailto:diptiman.singh79@gmail.com) ☎ - (0532) 2261010  
+91 9935214676

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02/08/16



IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD  
ORIGINAL JURISDICTION

COMPANY PETITION NO. 16 OF 2016

CONNECTED WITH

COMPANY APPLICATION NO. 4 OF 2016

[Under Sections 391-394 of the Companies Act, 1956]

DISTRICT : MATHURA

IN THE MATTER OF

The Companies Act, 1956

AND

IN THE MATTER OF

COMPOSITE SCHEME OF ARRANGEMENT AMONG  
JINDAL SAW LIMITED AND JITF INFRALOGISTICS LIMITED AND JITF  
SHIPYARDS LIMITED AND JITF WATERWAYS LIMITED AND THEIR  
RESPECTIVE SHAREHOLDERS AND CREDITORS.

IN THE MATTER OF

**JINDAL SAW LIMITED**, a company incorporated and existing under the  
Companies Act, 1956, having its Registered Office at A1, UPSIDC Industrial Area,  
Nandgaon Road, Kosi Kalan, District Mathura, Uttar Pradesh – 281403

...Petitioner 1/Demerged Company 1/Resulting Company 2

AND

**JITF INFRALOGISTICS LIMITED**, a company duly incorporated and existing under  
the Companies Act, 1956, having its Registered Office at A1, UPSIDC Industrial Area,  
Nandgaon Road, Kosi Kalan, District Mathura, Uttar Pradesh – 281403

Petitioner 2/Resulting Company 1

AND

**JITF SHIPYARDS LIMITED**, a company duly incorporated and existing under the  
Companies Act, 1956, having its Registered Office at A1, UPSIDC Industrial Area,  
Nandgaon Road, Kosi Kalan, District Mathura, Uttar Pradesh – 281403

Petitioner 3/Transferor Company

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AND

**JITF WATERWAYS LIMITED**, a company duly incorporated and existing under the Companies Act, 1956, having its Registered Office at A1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, District Mathura, Uttar Pradesh – 281403

Petitioner 4/Demerged Company 2 / Transferee Company

Before the Hon'ble Mr. Justice Yashwant Varma

Dated -8.7.2016

**Order on Petition**

The above petition coming for hearing on 8<sup>th</sup> day of July 2016, upon reading the said petition, the order dated 17.2.2016 whereby the said companies was ordered to convene meetings of the equity shareholders, secured creditors and unsecured creditors of Jindal Saw Limited and unsecured creditors of JITF Waterways Limited for the purposes of considering, and if thought fit, approving with or without modification, the Composite Scheme of Arrangement proposed to be made between the said companies and annexed to the affidavit of Shri Sunil Kumar Jain filed on the 15<sup>th</sup> day of February, 2016 and newspapers Financial Express (New Delhi Edition in English) and Dainik Jagran (Agra Edition in Hindi) dated 2.3.2016, each containing the advertisement of the notices convening the said meetings directed to be held by the order dated 17.2.2016, the affidavits of Shri Bharat Pratap Singh, Shri Akhilesh Kumar Pandey and Shri Om Prakash, Chairmen filed the 15<sup>th</sup> day of March, 2016, showing the publication and despatch of the notices convening said meetings, the reports of the Chairmen of the said meetings dated 9.4.2016 as to the result of the said meetings and upon hearing Shri S.D.Singh, Senior Advocate, assisted by Shri Diptiman Singh, Advocate, and it appearing from the reports that the proposed Composite Scheme of Arrangement has been approved by majority by the Equity Shareholders of Jindal Saw Limited and unanimously by secured creditors and unsecured creditors of Jindal Saw Limited and unsecured creditors of JITF Waterways Limited present and voting in person or by proxy.

Accordingly, this petition shall stand allowed. The Court hereby sanctions and approves the Composite Scheme of Arrangement (Annexure -1 to the petition) which shall come into effect from the appointed date as mentioned therein.

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And this Court doth further order:-

That the parties to the Composite Scheme of Arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the Composite Scheme of Arrangement.

That the said company do file with the Registrar of Companies a certified copy of this order within 30 days from this date.

**Schedule**

- (i) Composite Scheme of Arrangement (Annexure 1 to the Company Petition No.16 of 2016), as sanctioned by the Court.

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IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD

ORIGINAL COMPANY JURISDICTION

ANNEXURE NO. (1)

IN

COMPANY PETITION NO. OF 2016  
(Under Section 391 to 394 of The Companies Act, 1956)

CONNECTED WITH

COMPANY APPLICATION NO.4 OF 2016

District : Mathura

IN THE MATTER OF PETITION TO SANCTION THE COMPOSITE  
SCHEME OF ARRANGEMENT AMONG JINDAL SAW LIMITED  
AND JITF INFRALOGISTICS LIMITED AND JITF SHIPYARDS  
LIMITED AND JITF WATERWAYS LIMITED AND THEIR  
RESPECTIVE SHAREHOLDERS AND CREDITORS.

AND

IN THE MATTER OF

JINDAL SAW LIMITED

... PETITIONER 1/  
DEMERGED COMPANY 1 /  
RESULTING COMPANY 2

AND

JITF INFRALOGISTICS LIMITED

... PETITIONER 2/  
RESULTING COMPANY 1

AND

JITF SHIPYARDS LIMITED

... PETITIONER 3/  
TRANSFEROR COMPANY

AND

JITF WATERWAYS LIMITED

... PETITIONER 4/ DEMERGED  
COMPANY 2 / TRANSFEREE  
COMPANY





COMPOSITE SCHEME OF ARRANGEMENT

UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 100 TO 103 OF THE COMPANIES  
ACT, 1956 AND/OR APPLICABLE SECTIONS OF THE COMPANIES ACT, 2013

AMONG

JINDAL SAW LIMITED ("DEMERGED COMPANY 1"/ "RESULTING COMPANY 2")

AND

JITF INFRALOGISTICS LIMITED ("RESULTING COMPANY 1")

AND

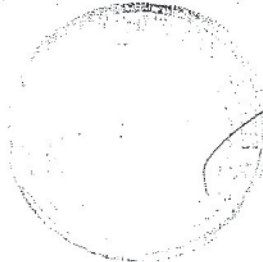
JITF SHIPYARDS LIMITED ("TRANSFEROR COMPANY")

AND

JITF WATERWAYS LIMITED ("DEMERGED COMPANY 2"/ "TRANSFeree COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



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## INTRODUCTION

### A. PREAMBLE

This Composite Scheme of Arrangement ("Scheme") for demerger, amalgamation and capital reduction is presented under the provisions of Sections 391 – 394 read with Sections 100 – 103 of the 1956 Act (as defined hereinafter) and/ or other relevant provisions of the Act (as defined hereinafter), for the (i) demerger of the Demerged Undertaking 1 (as defined hereinafter) of the Demerged Company 1 (as defined hereinafter) and vesting of the same in the Resulting Company 1 (as defined hereinafter); (ii) the reduction of the issued and paid-up equity share capital of the Resulting Company 1 and securities premium account (if required) of the Resulting Company 1; (iii) reduction of the capital redemption reserve, capital reserve (if required) and the securities premium account (if required) of the Demerged Company 1; (iv) transfer of a part of the authorized share capital from the Demerged Company 1 to the Resulting Company 1; (v) listing of the equity shares of Resulting Company 1 on the Stock Exchanges (as defined hereinafter); (vi) amalgamation of the Transferor Company (as defined hereinafter) with the Transferee Company (as defined hereinafter); (vii) the reduction of the capital reserve (if required) and the securities premium account (if required) of the Transferee Company; (viii) dissolution without winding up of the Transferor Company; (ix) transfer of the authorized share capital from the Transferor Company to the Transferee Company; (x) change in the name of the Transferee Company; (xi) demerger of the Demerged Undertaking 2 (as defined hereinafter) of the Demerged Company 2 (as defined hereinafter) and vesting of the same in the Resulting Company 2 (as defined hereinafter); (xii) the reduction of the capital redemption reserve (if required), capital reserve (if required) and the securities premium account (if required) of the Resulting Company 2; (xiii) the reduction of the issued and paid-up equity share capital, capital reserve (if required) and the securities premium account (if required) of the Demerged Company 2; (xiv) transfer of a part of the authorized share capital from the Demerged Company 2 to the Resulting Company 2, pursuant to the relevant provisions of the 1956 Act and/ or the provisions of the 2013 Act and the relevant provisions of this Scheme. In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

### B. RATIONALE FOR THE SCHEME

The Demerged Company 1 currently has business interests in diverse businesses such as manufacturing of steel pipes and steel pellets and infrastructure business. The management of the Demerged Company 1 believes that the business interests of the Demerged Company 1 in the Demerged Undertaking 1, which comprises of the business interests of the Demerged Company 1 in the infrastructure sector, require dedicated management focus and business strategies to develop the growth potential in the relevant business market. With a view to achieve greater management focus on its business interests in the manufacturing of steel pipes and steel pellets, the management of the Demerged Company 1 proposes to demerge its business interests in the infrastructure sector comprising of the Demerged Undertaking 1, and vest the same with the Resulting Company 1 (a wholly owned subsidiary of Demerged Company 1). The Demerged Company 1 will retain the manufacturing of steel pipes and steel pellets businesses. Further, the demerger of the Demerged Undertaking 1 and vesting of the same with Resulting Company 1 would enable the Resulting Company 1 to focus on infrastructure business and further create value for all of its stakeholders. Further, the listing of the equity shares of Resulting Company 1 on the Stock Exchanges (as defined hereinafter) would help the shareholders of Resulting Company 1 to unlock the value of their shares.

Pursuant to the demerger of Demerged Undertaking 1 and vesting of the same in the Resulting Company 1, the issued and paid-up equity share capital of the Resulting Company 1 would be reduced as a result of cancellation of the shares held by the Demerged Company 1 in the Resulting Company

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1 and the securities premium account of the Resulting Company 1 shall be reduced (if required) to set off the accumulated accounting losses (if any) relating to the Demerged Undertaking 1 that are transferred to the Resulting Company 1 pursuant to Section 1 of the Scheme.

Further, pursuant to the demerger of Demerged Undertaking 1 and vesting of the same in the Resulting Company 1, the capital redemption reserve, capital reserve (if required) and the securities premium account (if required), of the Demerged Company 1 shall be reduced to set off the difference between the amount of assets and the amount of liabilities and accumulated accounting losses (if any), pertaining to the Demerged Undertaking 1 being transferred by the Demerged Company 1 pursuant to Section 1 of the Scheme and the amount of investment held by the Demerged Company 1 in the Resulting Company 1 and cancelled by Demerged Company 1.

Further, both the Transferor Company and the Transferee Company are engaged in waterways transportation business (consisting of ocean waterways and inland waterways transportation). Therefore, with a view to consolidate the business interests of the Transferor Company and the Transferee Company in the waterways transportation business, the Transferor Company and the Transferee Company have decided that the Transferor Company with all its business interests including those in waterways transportation business (consisting of ocean waterways and inland waterways transportation), be amalgamated with its wholly owned subsidiary company, the Transferee Company which is also, *inter alia*, engaged in the waterways transportation business.

On a long term basis, management of the Transferee Company wishes to focus on inland waterways transportation business. Therefore, the proposed amalgamation of the Transferor Company comprising of its business interests, *inter alia*, in inland waterways transportation business with the Transferee Company would be in the best interests of the shareholders, creditors and employees of the Transferor Company and the Transferee Company and would also, *inter alia*, have the following benefits:

- (a) the proposed amalgamation would result in consolidation of the operations of inland waterways transportation business in the Transferee Company which will lead to synergies, reduction in operational costs and operational efficiencies in the existing operations of the inland waterways transportation business; and
- (b) the proposed amalgamation would result in better growth prospects in the inland waterways transportation business.

Further, pursuant to the amalgamation of the Transferor Company with the Transferee Company, the entire share capital of the Transferee Company held by the Transferor Company would be cancelled and the Transferor Company shall stand dissolved without winding up. Further, the capital reserve (if required) and the securities premium account (if required) of the Transferee Company shall be reduced to set off the debit balance (if any) of the capital reserve created pursuant to the amalgamation of the Transferor Company with the Transferee Company and accumulated accounting losses, if any, of the Transferor Company acquired by the Transferee Company pursuant to the amalgamation of the Transferor Company with the Transferee Company.

The Demerged Company 2 is a step down wholly owned subsidiary of the Resulting Company 2, however, pursuant to the amalgamation of the Transferor Company with the Demerged Company 2/ Transferee Company, the Demerged Company 2 will become a direct wholly owned subsidiary of the Resulting Company 2. Demerged Company 2 has business interests in diverse businesses such as ocean waterways, inland waterways transportation and business process outsourcing. The Resulting Company 2 operates various manufacturing and job work facilities situated in India, USA, Italy,



Dubai, etc. for production and sale of finished goods. With a view to integrate the manufacturing presence of the Resulting Company 2 in India and abroad, it is imperative for the Resulting Company 2 to have its own ocean logistics support system for transit of finished goods between multiple domestic/ international locations. Therefore, the demerger of the Demerged Undertaking 2 and vesting of the same with Resulting Company 2 would not only enable the Resulting Company 2 to strengthen its ocean logistics capabilities by providing the Resulting Company 2 with efficient in-house ocean logistics facilities for the shipment of materials between various domestic/ international locations, but also insulate the Resulting Company 2 from the vagaries of third party logistic providers in the shipping industry and would thereby not only stabilize the operating costs of the Resulting Company 2 but also result in synergies and better utilisation of capabilities and resources. Further, the management of the Demerged Company 2 also believes that the demerger of the Demerged Undertaking 2 will result in better utilisation of capabilities and resources of the Demerged Undertaking 2. Since the Demerged Company 2 will become a direct wholly owned subsidiary of the Resulting Company 2<sup>1</sup> upon effectiveness of the amalgamation of the Transferor Company with the Transferee Company in accordance with Section II of the Scheme, the Demerged Company 2 there shall be no consideration payable by the Resulting Company 2 to the shareholder of the Demerged Company 2 (that is, the Resulting Company 2 itself) for the demerger of the Demerged Undertaking 2 from Demerged Company 2 and vesting of the same with the Resulting Company 2.

Pursuant to the demerger of Demerged Undertaking 2 and vesting of the same in the Resulting Company 2, the capital redemption reserve (if required), capital reserve (if required) and the securities premium account (if required) of the Resulting Company 2 shall be reduced to set off the accumulated accounting losses (if any) relating to the Demerged Undertaking 2 transferred to the Resulting Company 2 and the debit balance (if any) of the restructuring reserve account of the Resulting Company 2.

Pursuant to the demerger of Demerged Undertaking 2 and vesting of the same in the Resulting Company 2, the issued and paid-up equity share capital of the Demerged Company 2 will no longer be represented by the remaining assets of the Demerged Company 2 and accordingly the issued and paid-up equity share capital of the Demerged Company 2 shall be reduced. Further, Pursuant to the demerger of the Demerged Undertaking 2 and vesting of the same in the Resulting Company 2, the capital reserve (if required) and the securities premium account (if required) of the Demerged Company 2 shall be reduced to set off the debit balance (if any) of the restructuring reserve account of the Demerged Company 2.

The demerger of the Demerged Undertaking 1 by the Demerged Company 1 and vesting of the same with the Resulting Company 1 and the demerger of the Demerged Undertaking 2 by the Demerged Company 2 and vesting of the same with the Resulting Company 2 (after the amalgamation of the Transferor Company with the Transferee Company (i.e. Demerged Company 2)) would be in the best interests of the shareholders, creditors and employees of the Demerged Company 1/ Resulting Company 2, the Demerged Company 2 and the Resulting Company 1 respectively, as it would result in enhancement of shareholder value, operational efficiencies and greater focus and would enable the management of each of the Demerged Company 1/ Resulting Company 2, the Demerged Company 2 and the Resulting Company 1 respectively to vigorously pursue revenue growth and expansion opportunities.

In view of the abovementioned reasons, it is considered desirable and expedient to demerge the Demerged Undertaking 1 of the Demerged Company 1 and vest the same with the Resulting Company 1, to amalgamate the Transferor Company with the Transferee Company and to demerge

the Demerged Undertaking 2 of the Demerged Company 2 and vest the same with the Resulting Company 2 (after the amalgamation of the Transferor Company with the Transferee Company (i.e. Demerged Company 2)). The abovementioned demerger of the Demerged Undertaking 1 and Demerged Undertaking 2 is also in accordance with Section 2(19AA) of the IT Act (*as defined hereinafter*). The abovementioned amalgamation is also in accordance with Section 2(1B) of the IT Act.

**C. PARTS OF THE SCHEME**

This Scheme is divided into the following sections:

**1. SECTION I**

**DEMERGER OF DEMERGED UNDERTAKING 1 (*AS DEFINED HEREINAFTER*) AND VESTING OF THE SAME IN THE RESULTING COMPANY 1 (*AS DEFINED HEREINAFTER*)**

Part A deals with the Definitions and Share Capital.

Part B deals with demerger of Demerged Undertaking 1 of the Demerged Company 1 (*as defined hereinafter*) and vesting of the same in Resulting Company 1, in accordance with Section 2 (19AA) of the IT Act (*as defined hereinafter*) and Sections 391 to 394 read with Sections 100 - 103 of the 1956 Act and/ or other relevant provisions of the Act.

Part C deals with the discharge of the consideration for the demerger of the Demerged Undertaking 1 from the Demerged Company 1 and vesting of the same with the Resulting Company 1, transfer of a part of the authorized share capital from the Demerged Company 1 to the Resulting Company 1, the reduction of the issued and paid-up equity share capital and securities premium account (if required) of the Resulting Company 1 and the reduction of the capital redemption reserve, capital reserve (if required) and the securities premium account (if required), of the Demerged Company 1.

Part D deals with the accounting treatment in the books of the Demerged Company 1 and the Resulting Company 1.

Part E deals with listing of the equity shares of Resulting Company 1 on the Stock Exchanges (*as defined hereinafter*).

**2. SECTION II**

**AMALGAMATION OF THE TRANSFEROR COMPANY (*AS DEFINED HEREINAFTER*) WITH THE TRANSFEE COMPANY (*AS DEFINED HEREINAFTER*)**

Part A deals with the Definitions and Share Capital.

Part B deals with amalgamation of the Transferor Company (*as defined hereinafter*) with the Transferee Company (*as defined hereinafter*), in accordance with Section 2 (1B) of the IT Act (*as*

*defined hereinafter*) and Sections 391 to 394 read with Sections 100 - 103 of the 1956 Act and/ or other relevant provisions of the Act.

Part C deals with the discharge of the consideration for the amalgamation of the Transferor Company with the Transferee Company and the reduction of the capital reserve (if required) and the securities premium account (if required) of the Transferee Company.

Part D deals with the accounting treatment in the books of the Transferee Company, dissolution without winding up of the Transferor Company, transfer of the authorized share capital from the Transferor Company to the Transferee Company and the change in the name of the Transferee Company.

### 3. SECTION III

#### **DEMERGER OF DEMERGED UNDERTAKING 2 (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME IN THE RESULTING COMPANY 2 (AS DEFINED HEREINAFTER)**

Part A deals with the Definitions and Share Capital.

Part B deals with demerger of Demerged Undertaking 2 of the Demerged Company 2 (*as defined hereinafter*) and vesting of the same in Resulting Company 2, in accordance with Section 2 (19AA) of the IT Act and Sections 391 to 394 read with Sections 100 - 103 of the 1956 Act and/ or other relevant provisions of the Act.

Part C deals with the reduction of the capital redemption reserve (if required), capital reserve (if required) and the securities premium account (if required) of the Resulting Company 2 and reduction of the issued and paid up equity share capital, capital reserve (if required) and securities premium account (if required) of the Demerged Company 2. Since the Demerged Company 2 will become a wholly owned subsidiary of the Resulting Company 2 pursuant to Section II of the Scheme, there shall be no consideration payable by the Resulting Company 2 to the shareholder of the Demerged Company 2 for the demerger of the Demerged Undertaking 2 (that is, the Resulting Company 2 itself) from Demerged Company 2 and vesting of the same with the Resulting Company 2.

Part D deals with the accounting treatment in the books of the Demerged Company 2 and the Resulting Company 2, the transfer of a part of the authorized share capital from the Demerged Company 2 to the Resulting Company 2 and issuance, if any, of compulsorily convertible debentures by the Resulting Company 2.

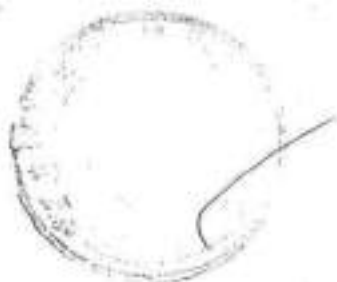
### 4. SECTION IV

Section IV deals with the general terms and conditions applicable to the Scheme.

#### **SCHEDULES**

Schedule 1 - Description of Transferor Company

Schedule 2 - Description of Demerged Undertaking 2





## SECTION I

### **DEMERGER OF THE DEMERGED UNDERTAKING 1 (AS DEFINED HEREINAFTER) OF THE DEMERGED COMPANY 1 (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME WITH THE RESULTING COMPANY 1 (AS DEFINED HEREINAFTER)**

#### **PART A**

##### **WHEREAS:**

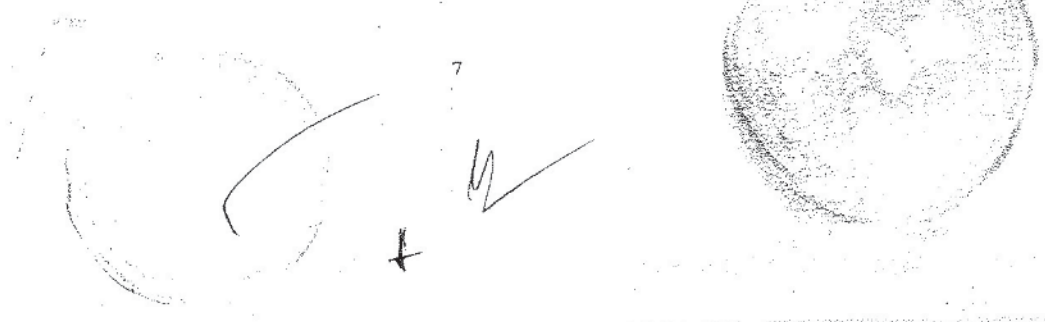
- A. **Jindal Saw Limited** (hereinafter referred to as the "**Demerged Company 1**"), is a company incorporated under the Companies Act, 1956 having its registered office at A-1 UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan District, Mathura, Uttar Pradesh - 281403. The Demerged Company 1 has business interests in diverse businesses such as the manufacturing of steel pipe and steel pellets and infrastructure businesses.
- B. **JITF Infralogistics Limited** (hereinafter referred to as the "**Resulting Company 1**"), is a company incorporated under the Companies Act, 1956 having its registered office at A-1 UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan District, Mathura, Uttar Pradesh - 281403. The Resulting Company 1 is a wholly owned subsidiary of the Demerged Company 1 and has been incorporated for logistics and infrastructure business.
- C. In terms of Section I of this Scheme, it is now proposed, *inter alia*, to demerge the Demerged Undertaking 1 (*as defined hereinafter*) of the Demerged Company 1, and vest the same with the Resulting Company 1 with effect from the Demerger Appointed Date 1 (*as defined hereinafter*), reduce the issued and paid-up equity share capital and securities premium account (if required) of the Resulting Company 1 and reduce the capital redemption reserve, capital reserve (if required) and the securities premium account (if required), of the Demerged Company 1, pursuant to and under Sections 391 to 394 read with Section 100 – 103 of the 1956 Act and/or other relevant provisions of the Act and the rules and regulations framed thereunder and list the equity shares of Resulting Company 1 on the Stock Exchanges (*as defined hereinafter*), in the manner provided for in Section I of the Scheme.
- D. The demerger of the Demerged Undertaking 1 of the Demerged Company 1 and vesting of the same with the Resulting Company 1 pursuant to and in accordance with this Scheme shall be in accordance with Section 2(19AA) of the IT Act.

#### **1. DEFINITIONS**

For the purposes of Section I of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings mentioned herein below:

- (a) "1956 Act" means the Companies Act, 1956 (Act No.1 of 1956), and the rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force.
- (b) "2013 Act" means the Companies Act, 2013 (Act No.18 of 2013) and the rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force.
- (c) "Act" means the 1956 Act or the 2013 Act, as may be applicable, as amended or substituted by any statutory modification / re-enactment thereof.

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- (d) "Court" means the Hon'ble High Court of Judicature at Allahabad and shall be deemed to include, if applicable, a reference to the National Company Law Tribunal or such other forum or authority which may be vested with any of the powers of a High Court to sanction this Scheme under the Act.
- (e) "Demerged Business 1" comprises of the business and business interests of the Demerged Company 1 in the infrastructure business *inter alia* through subsidiaries of the Demerged Company 1 engaged in the infrastructure business.
- (f) "Demerged Company 1" shall have the meaning ascribed to it in Recital A of Section I hereto.
- (g) "Demerged Company 1 CCDs" shall mean any outstanding zero coupon compulsorily convertible debentures having face value of Rs. 81.10 (Rupees Eighty One and Ten Paise only) issued by the Demerged Company 1 which are due for conversion into equal number of equity shares of the Demerged Company 1.
- (h) "Demerged Company 1 CCD Holders" shall mean the holders of the Demerged Company 1 CCDs.
- (i) "Demerged Undertaking 1" means the undertaking of the Demerged Company 1, pertaining to the Demerged Business 1, which shall be inclusive of, but not limited to:
- (i) all assets, whether moveable or immovable including all rights, title, interest, claims, covenants, undertakings of the Demerged Company 1 pertaining to the Demerged Business 1;
  - (ii) all investments, receivables, loans and advances extended (including CENVAT credit or other tax assets), including accrued interest thereon of the Demerged Company 1 pertaining to the Demerged Business 1;
  - (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured availed by the Demerged Company 1 pertaining to the Demerged Business 1;
  - (iv) all permits, rights, entitlements, licenses, approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax deferrals and benefits, subsidies, concessions, refund of any tax, duty, cess or of any excess payment, tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit etc.) of every kind and description whatsoever of the Demerged Company 1 pertaining to the Demerged Business 1;
  - (v) all trademarks, service marks, patents and other intellectual property rights of every kind and description whatsoever of the Demerged Company 1 pertaining to the Demerged Business 1;
  - (vi) all privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Demerged Company 1 pertaining to the Demerged Business 1;
  - (vii) all employees of the Demerged Company 1 employed in relation to the Demerged Business 1;
  - (viii) all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company 1 pertaining to the Demerged Business 1;

- (ix) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature initiated by or against the Demerged Company 1 in connection with the Demerged Business 1; and
  - (x) all books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Demerged Company 1 and pertaining to the Demerged Business 1.
- (j) "Demerger Appointed Date 1" means the opening of business hours as on April 1, 2015, or any other date as may be decided by the respective boards of directors of the Demerged Company 1 and the Resulting Company 1, being the time and date with effect from which Section I of this Scheme will be deemed to be effective, in the manner described in Clause 1.3 of Section IV of this Scheme.
  - (k) "Demerger 1 Record Date" shall have the meaning ascribed to it in Clause 4.1 in Section I of this Scheme.
  - (l) "Effective Date" means the date on which the last of the conditions set out in Clause 1.5 of Section IV of the Scheme is satisfied.
  - (m) "IT Act" means the Income Tax Act, 1961, as amended or any statutory modification / re-enactment thereof.
  - (n) "Resulting Company 1" shall have the meaning ascribed to it in Recital B of Section I hereto.
  - (o) "RoC" means the Registrar of Companies, Uttar Pradesh.
  - (p) "Scheme" or "Scheme of Arrangement" means this Composite Scheme of Arrangement among the Demerged Company 1/ Resulting Company 2, the Resulting Company 1, the Demerged Company 2/ Transferor Company, the Transferee Company and their respective shareholders and creditors pursuant to the provisions of Sections 391 – 394 read with Sections 100 – 103 of 1956 Act and/or other relevant provisions of the Act.
  - (q) "Stock Exchanges" means the stock exchanges where the equity shares of the Demerged Company 1 are listed and are admitted to trading, viz, BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").
  - (r) "Trustee 1" shall have the meaning ascribed to it in Clause 4.4 of Section I hereto.

The expressions, which are used in this Section I of the Scheme and not defined in Section I shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section II, Section III or Section IV of the Scheme or in absence thereof, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, by-laws, guidelines, circulars, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

## 2. SHARE CAPITAL

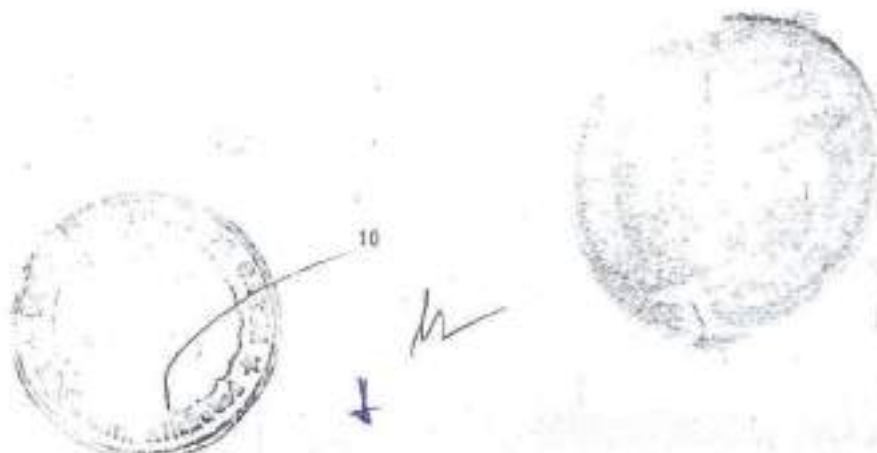
2.1 The share capital of the Demerged Company 1, as on September 30, 2015 was as under:

Share Capital	Amount (Rs.)
<i>Authorized Capital</i>	
<u>Equity</u> 500,000,000 Equity Shares of Rs.2 each	Rs. 1,000,000,000.00
<u>Preference</u> 10,000,000 Redeemable Preference shares of Rs. 100 each	Rs. 1,000,000,000.00
<b>Total</b>	<b>Rs. 2,000,000,000.00</b>
<i>Issued Capital</i>	Rs. 609,075,762
304,537,881 Equity Shares of Rs. 2 each	
<b>Total</b>	<b>Rs. 609,075,762</b>
<i>Subscribed and Paid-up Capital</i>	
304,533,881 Equity Shares of Rs. 2 each	Rs. 609,067,762
Forfeited 4,000 Equity Shares of Rs. 2 each (Partly paid up Rs. 1 each)	Rs. 4,000
<b>Total</b>	<b>Rs. 609,071,762</b>

Allotment of 3,250 (three thousand two hundred and fifty) equity shares of face value of Rs. 2 (Rupees Two only) each has been kept in abeyance by the Demerged Company 1 pursuant to court orders.

Additionally, as on September 30, 2015, 1,52,23,486 (one crore fifty two lakhs twenty three thousand four hundred and eighty six) Demerged Company 1 CCDs issued by the Demerged Company 1 are due for conversion into equal number of equity shares of the Demerged Company 1 by April 30, 2016.

2.2 Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Demerged Company 1, there has been no change in the issued, subscribed or paid up capital of the Demerged Company 1.





- 2.3 The share capital of the Resulting Company 1, as on September 30, 2015 was as under:

Share Capital	Amount in Rupees
<i>Authorized Capital</i>	
<u>Equity</u> 50,000 Equity Shares of Rs. 10 each	5,00,000
<b>Total</b>	<b>5,00,000</b>
<i>Issued, Subscribed and Paid-up Capital</i>	
<u>Equity</u> 50,000 Equity Shares of Rs. 10 each	5,00,000
<b>Total</b>	<b>5,00,000</b>

- 2.4 The members of the Resulting Company 1 have vide a resolution dated November 2, 2015 resolved to sub-divide each fully paid up equity share of the Resulting Company 1 having face value of Rs. 10 (Rupees Ten only) into 5 (five) fully paid up equity shares of face value of Rs. 2 (Rupee Two only) each, with effect from November 2, 2015 and consequently, the authorized share capital of the Resulting Company 1 of Rs. 5,00,000 (Rupees Five Lakhs only) now comprises of 2,50,000 (two lakh fifty thousand) equity shares of Rs. 2 (Rupee Two only) each and the issued, subscribed and paid-up capital of the Resulting Company 1 also comprises of 2,50,000 (two lakh fifty thousand) equity shares having face value of Rs. 2 (Rupee Two only) each. Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Resulting Company 1, there has been no change in the issued, subscribed or paid up capital of the Resulting Company 1.

#### PART B

### 3. DEMERGER OF THE DEMERGED UNDERTAKING 1 OF THE DEMERGED COMPANY 1 AND VESTING OF THE SAME WITH THE RESULTING COMPANY 1

- 3.1 Subject to the provisions of Section I of the Scheme in relation to the modalities of demerger and vesting, upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, the Demerged Undertaking 1, together with all its properties, assets, investments, rights, obligations, liabilities, benefits and interests therein, shall demerge from the Demerged Company 1 and be transferred to and vest in the Resulting Company 1, and shall become the property of and an integral part of the Resulting Company 1 subject to the existing charges and encumbrances, if any, created by the Demerged Company 1 in favour of its lenders or the lenders of its subsidiaries or group companies, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed required by either of the Demerged Company 1 or the Resulting Company 1. Without prejudice to the generality of the above, in particular, the Demerged Undertaking 1 shall stand vested in the Resulting Company 1, in the manner described in sub-paragraphs (a) – (n) below:

- a. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, all immovable property (including land, buildings and any other immovable property) of the Demerged Company 1 in relation to the Demerged Undertaking 1, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in or be deemed to be vested in the Resulting Company

1, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed by the Demerged Company 1 or the Resulting Company 1. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, the Resulting Company 1 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, the title to the immovable properties of the Demerged Undertaking 1 shall be deemed to have been mutated and recognised as that of the Resulting Company 1 and the mere filing of the vesting order of the Court sanctioning the Scheme with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title to the immovable properties of the Demerged Undertaking 1 with the Resulting Company 1 pursuant to the Section I of the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Resulting Company 1 shall in pursuance of the vesting order of the Court be entitled to the delivery and possession of all documents of title to such immovable property in this regard.

3. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, all the assets of the Demerged Company 1 relating to the Demerged Undertaking 1 as are movable in nature and are capable of transfer by endorsement and delivery, shall stand vested in Resulting Company 1, and shall become the property and an integral part of Resulting Company 1. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical delivery or by endorsement and delivery, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly.
4. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts and receivables, outstanding loans and advances, if any, relating to the Demerged Undertaking 1, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 1 or the Resulting Company 1, become the property of the Resulting Company 1. Where any of the outstanding receivables attributed to the Demerged Undertaking 1 have been received by the Demerged Company 1 on behalf of the Demerged Undertaking 1 after the Demerger Appointed Date 1, the same shall be deemed to have been received by the Demerged Company 1 for and on behalf of the Resulting Company 1.
5. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Demerged Undertaking 1, whether provided for or not in the books of accounts of the Demerged Company 1 or disclosed in the balance sheet of the Demerged Undertaking 1, including general and multipurpose borrowings, if any, shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company 1, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 1 or the Resulting Company 1. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, the Resulting Company 1 undertakes to meet, discharge and satisfy the same to the exclusion of the



Demerged Company 1. 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, duties and obligations have arisen in order to give effect to the provisions of this Clause. However, if any lender of the Demerged Company 1 requires satisfaction of the charge over the Demerged Company 1's properties and records of a new charge with the Resulting Company 1, the Resulting Company 1 shall for good order and for statistical purposes, file appropriate forms with the RoC as accompanied by the sanction order or a certified copy thereof and any deed of modification or novation executed by the Resulting Company 1. Where any of the loans, liabilities and obligations attributed to the Demerged Undertaking 1 have been discharged by the Demerged Company 1 on behalf of the Demerged Undertaking 1 after the Demerger Appointed Date 1 but before the Effective Date, such discharge shall be deemed to have been done by the Demerged Company 1 for and on behalf of the Resulting Company 1.

- e. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, all incorporeal or intangible property of the Demerged Undertaking 1 shall stand vested in the Resulting Company 1 and shall become the property and an integral part of the Resulting Company 1, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 1 or Resulting Company 1.
- f. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, all letters of intent, contracts, deeds, bonds, agreements, insurance policies, capital investment, subsidies, guarantees and indemnities, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking 1 of the Demerged Company 1 to which it is a party or to the benefit of which it may be entitled, shall be in full force and effect against or in favour of the Resulting Company 1, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 1 or Resulting Company 1, and may be enforced as fully and effectually as if, instead of the Demerged Company 1, the Resulting Company 1 had been a party or beneficiary or obligee thereto.
- g. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations including relating to trademarks, logos, patents and other intellectual property rights, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits, tax refunds, tax holidays (relating to direct or indirect tax), entitlements (including, but not limited to, credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, security transaction tax, minimum alternate tax credit and duty entitlement credit certificates etc.), facilities of every kind and description of whatsoever nature, in relation to the Demerged Undertaking 1 to which the Demerged Company 1 is a party or to the benefit of which the Demerged Company 1 may be eligible, shall be enforceable by or against the Resulting Company 1, as fully and effectually as if, instead of the Demerged Company 1, the Resulting Company 1 had been a party or beneficiary or obligee thereto, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 1 or the Resulting Company 1.
- h. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, any statutory licenses, no-objection certificates, permissions, registrations (including sales tax, service tax, excise, value added tax), approvals, consents,



permits, quotas, easements, goodwill, entitlements, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the Demerged Undertaking 1 of the Demerged Company 1 or granted to the Demerged Company 1 in relation to the Demerged Undertaking 1 shall stand vested in or transferred to the Resulting Company 1, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 1 or the Resulting Company 1, and shall be appropriately transferred or assigned by the concerned statutory authorities in favour of the Resulting Company 1 upon demerger of the Demerged Undertaking 1 and vesting of the same with the Resulting Company 1 pursuant to Section I of this Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking 1 of the Demerged Company 1 shall vest in and become available to the Resulting Company 1 upon Section I of this Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1; by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 1 or the Resulting Company 1.

- i. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, the Resulting Company 1 shall bear the burden and the benefits of any legal or other proceedings initiated by or against the Demerged Company 1 in respect of the Demerged Undertaking 1. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, if any suit, appeal or other proceeding of whatsoever nature by or against the Demerged Company 1, in respect of the Demerged Undertaking 1, be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of Demerged Undertaking 1 or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company 1 in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company 1, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 1 or the Resulting Company 1. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, the Resulting Company 1 undertakes to have such legal or other proceedings initiated by or against the Demerged Company 1 in respect of the Demerged Undertaking 1 transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company 1 to the exclusion of the Demerged Company 1. The Resulting Company 1 also undertakes to handle all legal or other proceedings which may be initiated against the Demerged Undertaking 1 of the Demerged Company 1 after the Effective Date in respect of the period up to the Effective Date, in its own name and account.
- j. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, all persons that were employed in the Demerged Undertaking 1 immediately before such date shall become employees of the Resulting Company 1, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 1 or the Resulting Company 1, with the benefit of continuity of service on the same terms and conditions as were applicable to such employees immediately prior to such demerger and without any break or interruption in service. It is clarified that such employees of the Demerged Company 1 forming part of the Demerged Undertaking 1 that become employees of the Resulting Company 1 by virtue of this Scheme, shall continue to be governed by the terms of employment as were applicable to them immediately before such demerger and shall not be entitled to be governed by employment

policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Resulting Company 1, unless and otherwise so stated by the Resulting Company 1 in writing in respect of all employees, class of employees or any particular employee. The Resulting Company 1 undertakes to continue to abide by any agreement/settlement, if any, entered into by the Demerged Company 1 in respect of such employees forming part of the Demerged Undertaking 1 with their respective employees/ employee unions. With regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of the Demerged Company 1 forming part of the Demerged Undertaking 1, upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, the Resulting Company 1 shall stand substituted for the Demerged Company 1, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 1 or the Resulting Company 1, for all purposes whatsoever relating to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident fund benefits, gratuity benefits and superannuation benefits or any other special benefits or obligation, if any, created or used by the Demerged Company 1 (or an affiliate of the Demerged Company 1 on behalf of the Demerged Company 1) for its employees forming part of the Demerged Undertaking 1 and being transferred to the Resulting Company 1 pursuant to this Scheme shall be continued by the Resulting Company 1 for the benefit of such employees on the same terms and conditions. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Demerged Company 1 in relation to such schemes or funds forming part of the Demerged Undertaking 1 shall become those of the Resulting Company 1. Further, upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee forming part of the Demerged Undertaking 1 by the Demerged Company 1 shall be continued/continue to operate against the relevant employee and shall be enforced by the Resulting Company 1, without any further act, instrument or deed of the Demerged Company 1 or the Resulting Company 1.

- k. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, all direct and indirect taxes, duties and cess (such as income tax, service tax, security transaction tax, value added tax, minimum alternate tax, advance tax, excise tax etc. or any other like payments made by the Demerged Company 1 to any statutory authorities) or other collections made by the Demerged Company 1 in relation to the Demerged Undertaking 1 and relating to the period after the Demerger Appointed Date 1 up to the Effective Date, shall be deemed to have been on account of, or on behalf of, or paid by, or made by the Resulting Company 1, without any further act, instrument or deed of the Demerged Company 1 or the Resulting Company 1. Further, upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, all deduction otherwise admissible to Demerged Company 1 pertaining to Demerged Undertaking 1 including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as under Section 43B, Section 40, Section 40A etc. of the IT Act) shall be eligible for deduction to the Resulting Company 1 upon fulfilment of the required conditions under the IT Act. Further, the Resulting Company 1 shall be entitled to claim credit for taxes deducted at source/ paid against its tax/ duty liabilities/ minimum alternate tax, advance tax, service tax, value added tax liability etc., notwithstanding the certificates/ challans or other documents for payment of such taxes/duties, as the case may be, being in the name of the Demerged Company 1.



- l. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, all taxes payable by the Demerged Company 1 in relation to the Demerged Undertaking 1 including all or any refunds of claims shall be treated as the tax liability or refunds/claims as the case may be, of the Resulting Company 1, without any further act, instrument or deed of the Demerged Company 1 or the Resulting Company 1, and the Resulting Company 1 shall be entitled to file/revise its statutory returns and related tax payment certificates and to claim refunds and advance tax credits as may be required consequent to the implementation of the Scheme; and all tax compliances under applicable laws by the Demerged Company 1 shall be deemed to have been undertaken by the Resulting Company 1.
- m. The Resulting Company 1 shall, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements, including any forms or depository instructions, with any party to any contract or arrangement in relation to the Demerged Undertaking 1 to which the Demerged Company 1 is a party, in order to give formal effect to the above provisions. The Resulting Company 1 shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writing on behalf of the Demerged Company 1 and to carry out or perform all such formalities or compliances referred to above on behalf of the Demerged Company 1.
- n. With effect from the Demerger Appointed Date 1 and up to and including the Effective Date:
  - (i) the Demerged Company 1 shall carry on and be deemed to have been carrying on all the business and activities of the Demerged Undertaking 1 for and on behalf of and in trust for the Resulting Company 1.
  - (ii) All profits / losses accruing to the Demerged Company 1 in relation to the Demerged Undertaking 1 and all taxes thereon arising or incurred by it, in relation to the Demerged Undertaking 1 shall, for all purposes, be treated as the profits, losses or taxes as the case may be, of the Resulting Company 1.
  - (iii) All accretions and depletions in relation to the Demerged Undertaking 1 shall be for and on account of the Resulting Company 1.

## PART C

### 4. CONSIDERATION

- 4.1 Upon Section I of the Scheme coming into effect on the Effective Date and upon the demerger of the Demerged Undertaking 1 and vesting of the same with the Resulting Company 1, the board of directors of the Demerged Company 1, in consultation with the board of directors of the Resulting Company 1, shall determine a record date, being a date on or subsequent to the Effective Date ("Demerger 1 Record Date") for the allotment of fully paid-up equity shares of face value of Rs. 2 (Rupees Two only) each of the Resulting Company 1 to the equity shareholders of the Demerged Company 1 as on the Demerger 1 Record Date.
- 4.2 The entitlement ratio stated in Clauses 4.3 and 4.6 of Part C of Section I of this Scheme has been determined by the respective boards of directors of the Demerged Company 1 and the Resulting Company 1 or committees thereof based on their independent judgment after taking into

consideration the valuation report provided by Khandelia & Sharma, chartered accountants and the fairness opinion provided by merchant banker, SPA Capital Advisors Limited.

- 4.3 The respective boards of directors of the Demerged Company 1 and the Resulting Company 1 or committees thereof have determined the share entitlement ratio such that for every 622 (six hundred and twenty two) equity shares of face value of Rs. 2 (Rupees Two only) each held in the Demerged Company 1 as on the Demerger 1 Record Date, the equity shareholders of the Demerged Company 1 shall be issued 50 (fifty) equity share of face value of Rs. 2 (Rupees Two only) each credited as fully paid-up in the Resulting Company 1. Accordingly, a total of 2,44,79,954 (two crores forty four lakhs seventy nine thousand nine hundred and fifty four) new equity shares of face value of Rs. 2 (Rupees Two only) each will be issued by the Resulting Company 1 (assuming that the Demerged Company 1 CCDs have not been converted prior to the Demerger 1 Record Date). In the event, the Demerged Company 1 CCDs are converted into equity shares of the Resulting Company 1 prior to the Demerged 1 Record Date the total number of equity shares to be issued by the Resulting Company 1 shall increase to upto 2,57,03,706 (two crores fifty seven lakhs three thousand seven hundred and six) equity shares of face value Rs. 2 (Rupees Two only) each depending upon the number of Demerged Company 1 CCDs actually converted prior to the Demerger 1 Record Date. The Resulting Company 1 shall, without any further act, instrument or deed, issue and allot to every equity shareholder of the Demerged Company 1 as on the Demerger 1 Record Date; the requisite number of equity shares in the Resulting Company 1. The said equity shares in the Resulting Company 1 to be issued to the equity shareholders of the Demerged Company 1 pursuant to this Clause shall rank *pari passu* in all respects with the existing equity shares of the Resulting Company 1.
- 4.4 It is hereby clarified that no equity shares shall be issued by the Resulting Company 1 to any equity shareholder of the Demerged Company 1 in respect of fractional entitlements, if any, as on the Demerger 1 Record Date, of such equity shareholder at the time of issue and allotment of such equity shares by the Resulting Company 1. The board of directors of the Resulting Company 1 shall instead consolidate all such fractional entitlements, (ignoring any fraction remaining after such consolidation), and thereupon shall issue and allot equity shares in lieu thereof to a director or officer of the Resulting Company 1 or such other person as the board of directors of the Resulting Company 1 shall appoint in this behalf ("Trustee 1") who shall hold such equity shares in trust for all such equity shareholders of the Demerged Company 1 who are entitled to such fractional balances, with the express understanding that such Trustee 1, shall be bound by the express understanding to cause the sale of such shares at such time(s), at such price(s) and to such person(s) as the directors or officers of Resulting Company 1 or Trustee 1 may deem fit and the net sale proceeds thereof, deposited with the Resulting Company 1 (i.e., after deduction therefrom of expenses incurred in connection with the sale), shall be distributed by the Resulting Company 1 to the relevant equity shareholders in proportion to their respective fractional entitlements.
- 4.5 As stated in Clause 2.1 of Section I of the Scheme, allotment of 3,250 (three thousand two hundred and fifty) equity shares of face value of Rs. 2 (Rupees Two only) each has been kept in abeyance by the Demerged Company 1 pursuant to court orders. Accordingly, the equity shares to be issued by the Resulting Company 1 in relation to 3,250 (three thousand two hundred and fifty) equity shares kept in abeyance by the Demerged Company 1, in accordance with the entitlement ratio stated in Clause 4.3 of Part C of Section I of this Scheme, shall also be kept in abeyance by the Resulting Company 1 and shall be allotted in accordance with the directions of the court.
- 4.6 Upon Section I of the Scheme coming into effect on the Effective Date and upon the demerger of the Demerged Undertaking 1 and vesting of the same with the Resulting Company 1, if there are any outstanding Demerged Company 1 CCDs in the Demerged Company 1 as on the Demerger 1



Record Date, the Resulting Company 1 shall, without any further act, instrument or deed, issue and allot to each Demerged Company 1 CCD Holder as on the Demerger 1 Record Date, 50 (fifty) zero coupon compulsorily convertible debentures having face value of Rs. 81.10 (Rupees Eighty One and Ten Paise only) each as fully paid up for every 622 (six hundred and twenty two) Demerged Company 1 CCDs held by such Demerged Company CCD Holder, on the same terms and conditions as are applicable to the Demerged Company 1 CCDs.

4.7 On the approval of Section I of the Scheme by the members of the Resulting Company 1 pursuant to Section 391-394 of the 1956 Act and/or the relevant provisions of the Act, if applicable, it shall be deemed that the said members have also accorded their consent under Sections 42 and 62(1)(c) and 71 of the 2013 Act and/or any other applicable provisions of the Act and rules and regulations framed thereunder as may be applicable for the aforesaid issuance of equity shares/ compulsorily convertible debentures of the Resulting Company 1 to the equity shareholders of the Demerged Company 1/ Demerged Company 1 CCD Holders (as the case may be), and no further resolution or actions shall be required to be undertaken by the Resulting Company 1 under Sections 42 or 62(1)(c) or 71 of the 2013 Act or any other applicable provisions of the Act and rules and regulations framed thereunder, including, *inter alia*, issue of a letter of offer.

4.8 In terms of Clauses 4.1 and 4.3 of Part C of Section I of this Scheme, upon Section I of this Scheme coming into effect on the Effective Date and upon demerger of the Demerged Undertaking 1 and vesting of the same with the Resulting Company 1, the Resulting Company 1 shall issue and allot fully paid-up equity shares of the Resulting Company 1 to the equity shareholders of the Demerged Company 1, as on the Demerger 1 Record Date. The authorised equity share capital of the Resulting Company 1 is required to be adequately enhanced to accommodate the increase in the paid-up equity share capital of the Resulting Company 1 on account of issuance and allotment of fully paid-up equity shares of the Resulting Company 1 to the equity shareholders of the Demerged Company 1, as on the Demerger 1 Record Date. Further, the Resulting Company 1 shall also be required to issue and allot equity shares to the Demerged Company 1 CCD Holders upon conversion of the Demerged Company 1 CCDs in accordance with the terms and conditions as are applicable to the Demerged Company 1 CCDs. The authorised equity share capital of the Resulting Company 1 is therefore, also required to be adequately enhanced to accommodate the increase in the paid-up equity share capital of the Resulting Company 1 on account of issuance and allotment of equity shares to the Demerged Company 1 CCD Holders upon conversion of the Demerged Company 1 CCDs in accordance with the terms and conditions as are applicable to the Demerged Company 1 CCDs. Therefore, as an integral part of the Scheme and upon the effectiveness of Section I of the Scheme, an amount of Rs. 15,00,00,000 (Rupees Fifteen Crores only) shall stand transferred from the authorized equity share capital of the Demerged Company 1 to the authorized equity share capital of the Resulting Company 1 and upon transfer of the amount of Rs. 15,00,00,000 (Rupees Fifteen Crores only) from the authorized equity share capital of the Demerged Company 1 to the authorized equity share capital of the Resulting Company 1, the authorized share capital of the Resulting Company 1 as set out in Clause 2.3 of Section I of the Scheme herein above shall stand enhanced to Rs. 15,05,00,000 (Rupees Fifteen Crores and Five Lakhs only) divided into 7,52,50,000 (seven crores fifty two lakhs and fifty thousand) equity shares of face value of Rs. 2 (Rupees Two only) each, without any further act, instrument or deed by the Resulting Company 1 and without any liability for payment of any additional fees or stamp duty in respect of such increase as the stamp duty and fees has already been paid by Demerged Company 1 on such authorized equity share capital, the benefit of which stands vested in the Resulting Company 1 pursuant to the Scheme becoming effective on the Effective Date. Subsequent to enhancement of the authorized equity share capital of the Resulting Company 1 as contemplated herein, the authorized share capital clause of the Memorandum of Association (Clause V) of the Resulting Company 1 shall stand modified and read as follows:



*"The Authorised Share Capital of the Company is Rs. 15,05,00,000 (Rupees Fifteen Crores and Five Lakhs only) divided into 7,52,50,000 (seven crores fifty two lakhs and fifty thousand) equity shares of Rs. 2 (Rupees Two only) each."*

- 4.9 It is hereby clarified that for the purposes of Clause 4.8 of Section I of the Scheme, the consent of the shareholders of the Resulting Company 1 to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment and increase in the authorised share capital of the Resulting Company 1, and no further resolutions or actions under Sections 13 and/or 61 of the 2013 Act and/ or any other applicable provisions of the Act would be required to be separately passed or taken. However, the Resulting Company 1 shall make the requisite filings with the RoC for the increase in its authorised share capital in the manner set out in Clause 4.8 of Section I of the Scheme.

**5. REDUCTION OF THE CAPITAL REDEMPTION RESERVE, CAPITAL RESERVE AND THE SECURITIES PREMIUM ACCOUNT OF THE DEMERGED COMPANY 1 AND REDUCTION IN THE ISSUED AND PAID UP EQUITY SHARE CAPITAL AND SECURITIES PREMIUM ACCOUNT OF THE RESULTING COMPANY 1**

- 5.1. Upon Section I of the Scheme coming into effect on the Effective Date, the difference between the amount of assets, liabilities and accumulated accounting losses (if any), pertaining to the Demerged Undertaking 1 being transferred by the Demerged Company 1 pursuant to Section I of the Scheme, and the amount of investment held by the Demerged Company 1 in the Resulting Company 1 and cancelled by Demerged Company 1, shall be first adjusted against the capital redemption reserve of the Demerged Company 1 and then against the capital reserve of the Demerged Company 1 and the balance, if any, shall be adjusted against the securities premium account of the Demerged Company 1 and to the extent of such adjustment, the capital redemption reserve, the capital reserve and the securities premium account of the Demerged Company 1 shall stand reduced without any further act or deed on the part of the Demerged Company 1. The reduction in the capital redemption reserve and the securities premium account of the Demerged Company 1 shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 52 and 55(2) of the 2013 Act read with Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Demerged Company 1 and without any approval or acknowledgement of any third party. The reduction in the capital reserve of the Demerged Company 1 shall be effected as an integral part of the Scheme in accordance with the applicable provisions of Act without any further act or deed on the part of the Demerged Company 1 and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Sections 52 and 55(2) of the 2013 Act read with Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such the reduction in the capital redemption reserve and the securities premium account of the Demerged Company 1. It is hereby clarified that the provisions of Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, as the case may be) would not be applicable to the reduction in the capital reserve of the Demerged Company 1. The aforesaid reduction in the capital redemption reserve and the securities premium account of the Demerged Company 1 would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the capital redemption reserve and the securities premium account of the Demerged Company 1, the Demerged Company 1 shall not be required to add "And Reduced" as suffix to its name.



- 5.2. It is expressly clarified that for the purposes of Clause 5 of Section I of the Scheme, the consent of the shareholders of the Demerged Company 1 to the Scheme and the consent of the secured and unsecured creditors of the Demerged Company 1 to the Scheme shall be deemed to be sufficient for the purposes of effecting the reduction in the capital redemption reserve and the securities premium account of the Demerged Company 1 and no further resolution and/or action under Section 100 and/ or Section 101 of the 1956 Act (or Section 66(1)(a) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder would be required to be separately passed or taken.
- 5.3. The reduction of the capital redemption reserve and the securities premium account of the Demerged Company 1 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(1)(a) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder pursuant to filing of the order of the Court sanctioning the aforesaid reduction by the Demerged Company 1 with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court, with respect to the capital redemption reserve and the securities premium account of the Demerged Company 1 as altered by the order and the amount of reduction in capital redemption reserve and the securities premium account of the Demerged Company 1.
- 5.4. The reduction of the capital redemption reserve and the securities premium account of the Demerged Company 1 shall become effective as set out in Clause 5.3 of Section I of the Scheme and shall be conditional upon Section I of the Scheme becoming effective on the Effective Date and with effect from the Demerger Appointed Date 1. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reorganization resulting in reduction in the capital redemption reserve, capital reserve and the securities premium account of the Demerged Company 1, as set out in this Clause 5 of Section I of the Scheme shall not become effective and shall be deemed to be redundant.
- 5.5. Upon Section I of the Scheme coming into effect on the Effective Date and immediately after issuance of the equity shares of the Resulting Company 1 to the equity shareholders of the Demerged Company 1, 2,50,000 (two lakhs and fifty thousand) equity shares of the Resulting Company 1 having face value of Rs. 2 (Rupees Two only) each held by the Demerged Company 1 comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company 1 as on the Effective Date shall stand cancelled without any further act or deed on the part of the Resulting Company 1. The reduction in the issued and paid-up equity share capital of the Resulting Company 1 shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Resulting Company 1 and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the issued and paid-up equity share capital of the Resulting Company 1, the Resulting Company 1 shall not be required to add "And Reduced" as suffix to its name.
- 5.6. It is expressly clarified that for the purposes of this Clause 5 of Section I of the Scheme, the consent of the shareholders and the secured and unsecured creditors of the Resulting Company 1 to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganization in



the issued and paid-up equity share capital of the Resulting Company 1 resulting in a reduction in the equity share capital of the Resulting Company 1, and no further resolution and/or action under Section 100 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.

- 5.7. The reduction of the issued and paid-up equity share capital of the Resulting Company 1 as contemplated in this Clause 5 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder, pursuant to the filing of the order of the Court sanctioning the aforesaid capital reduction by the Resulting Company 1 with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court, if any, showing, with respect to the issued and paid-up equity share capital of the Resulting Company 1 as altered by the order, (a) the amount of issued and paid-up equity share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minute and order by the RoC. Such reduction in the issued and paid-up equity share capital of the Resulting Company 1 as contemplated in this Clause 5 of Section I of the Scheme shall be conditional upon Section I of this Scheme becoming effective on the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reduction of issued and paid-up equity share capital as set out in this Clause 5 of Section I of the Scheme shall not become effective and shall be deemed to be redundant.
- 5.8. Upon Section I of the Scheme coming into effect on the Effective Date and after giving effect to Clauses 6.1 (c) and (e) of Section I of the Scheme, the accumulated accounting losses (if any) relating to the Demerged Undertaking 1 that have been transferred to the Resulting Company 1 pursuant to Section I of the Scheme, shall be adjusted against the securities premium account of the Resulting Company 1 and to the extent of such adjustment, the securities premium account of the Resulting Company 1 shall stand reduced without any further act or deed on the part of the Resulting Company 1. The reduction in the securities premium account of the Resulting Company 1 shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 52 of the 2013 Act read with Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Resulting Company 1 and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Sections 52 of the 2013 Act read with Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such the reduction in the securities premium account of the Resulting Company 1. The aforesaid reduction in the securities premium account of the Resulting Company 1 would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the securities premium account of the Resulting Company 1, the Resulting Company 1 shall not be required to add "And Reduced" as suffix to its name.
- 5.9. It is expressly clarified that for the purposes of Clause 5 of Section I of the Scheme, the consent of the shareholders of the Resulting Company 1 to the Scheme and the consent of the secured and unsecured creditors of the Resulting Company 1 to the Scheme shall be deemed to be sufficient for the purposes of effecting the reduction in the securities premium account of the Resulting Company 1 and no further resolution and/or action under Section 100 and/ or Section 101 of the 1956 Act (or Section 66(1)(a) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder would be required to be separately passed or taken.



- 5.10. The reduction of the securities premium account of the Resulting Company 1 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(1)(a) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder pursuant to filing of the order of the Court sanctioning the aforesaid reduction by the Resulting Company 1 with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court, with respect to the securities premium account of the Resulting Company 1 as altered by the order and the amount of reduction in the securities premium account of the Resulting Company 1.
- 5.11. The reduction of the securities premium account of the Resulting Company 1 shall become effective as set out in Clause 5.10 of Section I of the Scheme and shall be conditional upon Section I of the Scheme becoming effective on the Effective Date and with effect from the Demerger Appointed Date 1 and shall take place after giving effect to Clauses 6.1 (c) and (e) of Section I of the Scheme. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reorganization resulting in reduction in the securities premium account of the Resulting Company 1 as set out in this Clause 5 of Section I of the Scheme shall not become effective and shall be deemed to be redundant.

## PART D

### 6. ACCOUNTING TREATMENT

#### 6.1. Treatment in the books of Resulting Company 1

Pursuant to Section I of the Scheme coming into effect on the Effective Date with effect from the Demerger Appointed Date 1, the Resulting Company 1 shall account for the demerger and vesting of the Demerged Undertaking 1 with the Resulting Company 1 in its books of accounts in accordance with the Indian Generally Accepted Accounting Principles followed by the Resulting Company 1 on the Effective Date, in the following manner:

- (a) The assets, liabilities and accumulated accounting losses (if any) transferred to and vested in the Resulting Company 1 pursuant to this Section I of the Scheme, shall be recorded in the books of account of the Resulting Company 1 at the book values of the respective assets and liabilities and accumulated accounting losses (if any) as recorded in the books of account of the Demerged Company 1 as on the Demerger Appointed Date 1.
- (b) The Resulting Company 1 shall credit its issued and paid-up equity share capital account with the aggregate face value of the equity shares issued to the shareholders of Demerged Company 1 pursuant to Clause 4 of Part C of Section I of this Scheme.
- (c) The amount of difference in the net asset value (asset minus liabilities), and the accumulated accounting losses (if any), relating to of the Demerged Undertaking 1 transferred to the Resulting Company 1 pursuant to Section I of this Scheme and the amount of the equity share capital issued by the Resulting Company 1 pursuant to Clause 4 of Section I of the Scheme, shall also be credited to the securities premium account of the Resulting Company 1.
- (d) Accumulated accounting losses, if any, relating to the Demerged Undertaking 1 transferred to Resulting Company 1 pursuant to Section I of the Scheme shall be adjusted, after giving effect to Clauses 6.1 (c) and (e) of Section I of the Scheme, in the manner as set out in Clauses 5.8 to 5.11 of Section I of the Scheme.

- (e) Upon cancellation of the shares of the Resulting Company 1 held by the Demerged Company 1 in accordance with Clauses 5.5 to 5.7 of Section I of this Scheme, the amount of the issued and paid-up equity share capital of the Resulting Company 1 so reduced shall be credited to the securities premium account of the Resulting Company 1.
- (f) Any matter not dealt with in this Clause 6.1 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles followed by the Resulting Company 1 on the Effective Date.

#### 6.2. Treatment in the books of the Demerged Company 1

Pursuant to Section I of the Scheme coming into effect on the Effective Date with effect from the Demerger Appointed Date 1, the Demerged Company 1 shall account for the demerger and vesting of the Demerged Undertaking 1 with the Resulting Company 1 in its books of accounts in accordance with Indian Generally Accepted Accounting Principles followed by the Demerged Company 1 on the Effective Date, in the following manner:

- (a) The respective book values of the assets, liabilities and accumulated accounting losses (if any) of the Demerged Undertaking 1 shall be reduced in the books of accounts of the Demerged Company 1 in compliance with the applicable accounting standards.
- (b) The difference between the amount of assets, liabilities and accumulated accounting losses (if any) pertaining to the Demerged Undertaking 1 transferred pursuant to Section I of the Scheme shall be adjusted in the manner set out in Clauses 5.1 to 5.4 of Section I of this Scheme.
- (c) The amount of investments held by Demerged Company 1 in the Resulting Company 1 shall be written off in the manner set out in Clauses 5.1 to 5.4 of Section I of the Scheme.
- (d) Any matter not dealt with in this Clause 6.2 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles followed by the Demerged Company 1 on the Effective Date.

### PART E

#### 7. LISTING OF THE RESULTING COMPANY 1

- 7.1 The Resulting Company 1 shall, subject to compliance with applicable laws, rules, circulars and notifications, including, *inter alia*, the applicable provisions of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013, as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, as amended from time to time, make an application for listing and trading of its equity shares on the Stock Exchanges.
- 7.2 The Stock Exchanges, shall list the equity shares of the Resulting Company 1, in accordance with applicable laws, rules, circulars and notifications, including, *inter alia*, the applicable provisions of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013, as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 as amended from time to time.
- 7.3 New equity shares allotted to the shareholders of the Demerged Company 1 in the Resulting Company 1 pursuant to Section I of the Scheme shall remain frozen in the depositories system until listing/trading permission for the equity shares of the Resulting Company 1 is granted by the Stock



Exchanges. Between the Demerger 1 Record Date and the date of listing of the equity shares of the Resulting Company 1 with the Stock Exchanges, there shall be no change in the shareholding pattern or control of the Resulting Company 1 other than as contemplated in this Scheme.

- 7.4 The equity shares of the Resulting Company 1, issued in lieu of the locked-in equity shares of the Demerged Company 1, shall be subject to lock-in for the remainder of the lock-in period as applicable under applicable laws.

## SECTION II

### **AMALGAMATION OF THE TRANSFEROR COMPANY (AS DEFINED HEREINAFTER) WITH THE TRANSFEE COMPANY (AS DEFINED HEREINAFTER).**

#### **PART A**

#### **WHEREAS:**

- A. **JITF Shipyards Limited** (hereinafter referred to as the "**Transferor Company**"), is a company incorporated under the Companies Act, 1956 having its registered office at A-1 UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan District, Mathura, Uttar Pradesh - 281403. The Transferor Company is a wholly owned subsidiary of Demerged Company 1. The description of the Transferor Company is more particularly set out in **Schedule 1** hereto.
- B. **JITF Waterways Limited** (hereinafter referred to as the "**Transferee Company**"), is a company incorporated under the Companies Act, 1956 having its registered office at A-1 UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan District, Mathura, Uttar Pradesh- 281403. The Transferee Company has diverse business interests in the ocean waterways and inland waterways transportation businesses and is a wholly owned subsidiary of the Transferor Company.
- C. In terms of Section II of this Scheme, it is now proposed, *inter alia*, to amalgamate the Transferor Company with the Transferee Company, on the Amalgamation Appointed Date (*as defined hereinafter*), reduce the capital reserve (if required) and the securities premium account (if required) of the Transferee Company, dissolution without winding up of the Transferor Company and change the name of the Transferee Company, pursuant to and under Sections 391 to 394 read with Sections 100- 103 of the 1956 Act and other relevant provisions of the Act, in the manner provided for in Section II of the Scheme.
- D. The amalgamation of the Transferor Company with the Transferee Company pursuant to and in accordance with this Scheme shall be in accordance with Section 2(1B) of the IT Act.

#### **1. DEFINITIONS**

For the purposes of Section II of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings mentioned herein below:

- (a) "**Amalgamation Appointed Date**" means the opening of business hours on April 1, 2015, or any other date as may be decided by the respective boards of directors of the Transferor Company and the Transferee Company, being the time and date with effect from which Section II of this Scheme will be deemed to be effective, in the manner described in Clause 1.3 of Section IV of the Scheme.
- (b) "**Amalgamation Record Date**" shall have the meaning ascribed to it in Clause 4.1 of Section II of the Scheme.
- (c) "**Transferor Company**" shall have the meaning ascribed to it in Recital A of Section II hereto and shall include but not be limited to:
- (i) all assets, whether moveable or immovable including all rights, title, interest, claims, covenants, undertakings of the Transferor Company, including without limitation the fixed assets listed in of **Schedule 1** hereto;



- (ii) all investments, receivables, loans and advances extended (including CENVAT credit or other tax assets), including accrued interest thereon of the Transferor Company;
  - (iii) all debts, borrowings and liabilities (including the Transferor Company CCDs, if any), whether present or future, whether secured or unsecured availed by the Transferor Company;
  - (iv) all permits, rights, entitlements, licenses, approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax deferrals and benefits, subsidies, concessions, refund of any tax, duty, cess or of any excess payment, tax credits (including, but not limited to, credits in respect of income tax, tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit etc.) of every kind and description whatsoever of the Transferor Company;
  - (v) all trademarks, service marks, patents and other intellectual property rights of every kind and description whatsoever of the Transferor Company;
  - (vi) all privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Transferor Company;
  - (vii) all employees of the Transferor Company;
  - (viii) all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company;
  - (ix) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature initiated by or against the Transferor Company; and
  - (x) all books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Transferor Company.
- (d) "Transferor Company CCDs" shall mean any outstanding compulsorily convertible debentures issued by the Transferor Company having coupon rate of 9.25% (nine point two five percent) and having face value of Rs. 10,00,00,000 (Rupees Ten Crores only) each.
- (e) "Transferor Company CCD Holders" shall mean the holders of the Transferor Company CCDs.
- (f) "Transferee Company" shall have the meaning ascribed to it in Recital B of Section II hereto.
- (g) "Trustee 2" shall have the meaning ascribed to it in Clause 4.4 of Section II hereto.

The expressions, which are used in this Section II of the Scheme and not defined in Section II shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section I, Section III and Section IV of the Scheme or in the absence thereof, the Act, the IT Act, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

## 2. SHARE CAPITAL

2.1. The share capital of the Transferee Company, as on September 30, 2015 was as under:

Share Capital	Amount (Rs.)
<i>Authorized Capital</i>	
<u>Equity</u>	
210,000,000 Equity Shares of Rs. 10 each	2,100,000,000
<b>Total</b>	<b>2,100,000,000</b>
<i>Issued, Subscribed and Paid-up Capital</i>	
20,44,79,356 Equity Shares of Rs. 10 each	2,044,793,560
<b>Total</b>	<b>2,044,793,560</b>

2.2. Subsequent to the above date and till the date of the Scheme being approved by the board of directors of the Transferee Company, there has been no change in the issued, subscribed or paid up capital of the Transferee Company.

2.3. The share capital of the Transferor Company, as on September 30, 2015 was as under:

Share Capital	Amount (Rs.)
<i>Authorized Capital</i>	
<u>Equity</u>	
80,000,000 Equity Shares of Rs. 10 each	800,000,000
<b>Total</b>	<b>800,000,000</b>
<i>Issued, Subscribed and Paid-up Capital</i>	
5,630,000 Equity Shares of Rs. 10 each	56,300,000
<b>Total</b>	<b>56,300,000</b>

Additionally, 20 (twenty) Transferor Company CCDs having face value of Rs. 10,00,00,000 (Rupees Ten Crores only) each, were issued and allotted by the Transferor Company on October 20, 2015 which are due for conversion into equity shares of the Transferor Company at a mutually agreed conversion price and/ or the fair value of the shares as determined by a reputed merchant banker, by April 12, 2016.

2.4. Subsequent to the above date and till the date of the Scheme being approved by the board of directors of the Transferor Company, there has been no change in the issued, subscribed or paid up capital of the Transferor Company except for the increase in issued, subscribed and paid up share capital of the



Transferor Company from Rs. 56,30,000 (Rupees Fifty Six Lakhs and Thirty Thousand only) to Rs. 75,76,86,530 (Rupees Seventy Five Crores Seventy Six Lakhs Eighty Six Thousand Five Hundred and Thirty only) by allotment of equity shares of 7,57,68,653 (seven crores fifty seven lakhs sixty eight thousand six hundred and fifty three only) of Rs. 10 (Rupees Ten only) each, on October 21, 2015.

## PART B

### 3. AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY

3.1 Subject to the provisions of Section II of the Scheme in relation to the modalities of amalgamation, upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, the Transferor Company, together with all its properties, assets, investments, rights, obligations, liabilities, benefits and interests therein, shall amalgamate with the Transferee Company, and shall become the property of and an integral part of the Transferee Company subject to the existing charges and encumbrances, if any, created by the Transferor Company in favour of its lenders or the lenders of its subsidiaries or group companies, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed required by either of the Transferor Company or the Transferee Company. Without prejudice to the generality of the above, in particular, the Transferor Company shall stand amalgamated with the Transferee Company, in the manner described in sub-paragraphs (a) – (n) below:

- a. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, all immovable property (including land, buildings and any other immovable property) of the Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in or be deemed to be vested in the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed done by the Transferor Company or the Transferee Company. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, the title to the immovable properties of the Transferor Company shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing titles with the Transferee Company pursuant to the Section II of the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Transferee Company shall in pursuance of the vesting order of the Court be entitled to the delivery and possession of all documents of title to such immovable property in this regard.
- b. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, all the assets of the Transferor Company as are movable in nature and/ or are capable of transfer by endorsement and delivery, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical delivery or by endorsement and delivery, as appropriate to the



property being vested and the title to such property shall be deemed to have been transferred accordingly.

- c. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts and receivables, outstanding loans and advances, if any, relating to the Transferor Company, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company become the property of the Transferee Company. Where any of the outstanding receivables attributed to the Transferor Company have been received by the Transferor Company after the Amalgamation Appointed Date, the same shall be deemed to have been received by the Transferor Company for and on behalf of the Transferee Company.
- d. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, all debts, borrowings, liabilities (including the Transferor Company CCDs, if any), contingent liabilities, duties and obligations, secured or unsecured, relating to the Transferor Company, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of such Transferor Company, shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, the Transferee Company undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company. 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, duties and obligations have arisen in order to give effect to the provisions of this Clause. However, if any lender of the Transferor Company requires satisfaction of the charge over the Transferor Company's properties and recordal of a new charge with the Transferee Company, the Transferee Company shall for good order and for statistical purposes, file appropriate forms with the RoC as accompanied by the sanction order or a certified copy thereof and any deed of modification or novation executed by the Transferee Company. Where any of the loans, liabilities and obligations attributed to the Transferor Company have been discharged by the Transferor Company after the Amalgamation Appointed Date but before the Effective Date, such discharge shall be deemed to have been done by the Transferor Company for and on behalf of the Transferee Company.
- e. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, all incorporeal or intangible property of the Transferor Company shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or Transferee Company.
- f. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, all letters of intent, contracts, deeds, bonds,



agreements, insurance policies, capital investment, subsidies, guarantees and indemnities, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferor Company to which it is a party or to the benefit of which it may be entitled, shall be in full force and effect against or in favour of the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

- g. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations including relating to trademarks, logos, patents and other intellectual property rights, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits, tax refunds, tax holidays (relating to direct or indirect tax), entitlements (including, but not limited to, credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, security transaction tax, minimum alternate tax credit and duty entitlement credit certificates etc.), facilities of every kind and description of whatsoever nature, in relation to the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, shall be enforceable by or against the Transferee Company, as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company.
- h. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, any statutory licenses, no-objection certificates, permissions, registrations (including sales tax, service tax, excise, value added tax), approvals, consents, permits, quotas, easements, goodwill, entitlements, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the Transferor Company or granted to the Transferor Company shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, and shall be appropriately transferred or assigned by the concerned statutory authorities in favour of Transferee Company upon amalgamation of the Transferor Company with the Transferee Company pursuant to Section II of this Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall vest in and become available to the Transferee Company upon Section II of this Scheme, coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company.
- i. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, the Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against the Transferor Company. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, if any suit, appeal or other proceeding of whatsoever nature by or against the Transferor Company, be pending, the same shall not



abate, be discontinued or in any way be prejudicially affected by reason of the amalgamation of Transferor Company or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, as if this Scheme had not been made. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, the Transferee Company undertakes to have such legal or other proceedings initiated by or against the Transferor Company transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferee Company also undertakes to handle all legal or other proceedings which may be initiated against the Transferor Company after the Effective Date in respect of the period up to the Effective Date, in its own name and account and further undertakes to pay all amounts including interest, penalties, damages, etc. which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period up to the Effective Date.

- j. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, all persons that were employed in the Transferor Company immediately before such date shall become employees of the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, with the benefit of continuity of service on the same terms and conditions as were applicable to such employees immediately prior to such amalgamation and without any break or interruption in service. It is clarified that such employees of the Transferor Company that become employees of the Transferee Company by virtue of this Scheme, shall continue to be governed by the terms of employment as were applicable to them immediately before such amalgamation and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Transferee Company, unless and otherwise so stated by the Transferee Company in writing in respect of all employees, class of employees or any particular employee. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Transferor Company in respect of such employees with their respective employees / employee unions. With regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of the Transferor Company, upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, the Transferee Company shall stand substituted for the Transferor Company, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, for all purposes whatsoever relating to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident fund benefits, gratuity benefits and superannuation benefits, or any other special benefits or obligation, if any, created or used by the Transferor Company (or an affiliate of the Transferor Company on behalf of the Transferor Company) for its employees being transferred to the Transferee Company pursuant to this Scheme shall be continued by the Transferee Company for the benefit of such employees on the same terms and conditions. It is the aim and intent of the Scheme that all the rights, duties,

powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. Further, upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Transferor Company shall be continued/continue to operate against the relevant employee and shall be enforced by the Transferee Company, without any further act, instrument or deed of the Transferor Company or the Transferee Company.

k. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, all direct and indirect taxes, duties and cess (such as income tax, service tax, security transaction tax, value added tax, minimum alternate tax, advance tax, excise tax etc. or any other like payments made by the Transferor Company to any statutory authorities), or other collections made by the Transferor Company and relating to the period after the Amalgamation Appointed Date up to the Effective Date, shall be deemed to have been on account of, or on behalf of, or paid by, or made by the Transferee Company, without any further act, instrument or deed of the Transferor Company or the Transferee Company. Further, upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, all deduction otherwise admissible to Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as under Section 43B, Section 40, Section 40A etc. of the IT Act) shall be eligible for deduction to the Transferee Company upon fulfilment of the required conditions under the IT Act. Further, the Transferee Company shall be entitled to claim credit for taxes deducted at source/ paid against its tax/ duty liabilities/ minimum alternate tax, advance tax, service tax, value added tax liability etc., notwithstanding the certificates/ challans or other documents for payment of such taxes/duties, as the case may be, being in the name of the Transferor Company.

l. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, all taxes payable by the Transferor Company including all or any refunds of claims shall be treated as the tax liability or refunds/claims as the case may be, of the Transferee Company, without any further act, instrument or deed of the Transferor Company or the Transferee Company, and the Transferee Company shall be entitled to file/revise its statutory returns and related tax payment certificates and to claim refunds and advance tax credits as may be required consequent to the implementation of the Scheme, and all tax compliances under applicable laws by the Transferor Company shall be deemed to have been undertaken by the Transferee Company.

m. The Transferee Company shall, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements including any forms or depository instructions, with any party to any contract or arrangement in relation to the Transferor Company to which the Transferor Company is a party, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writing on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on behalf of the Transferor Company.

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



- (i) the Transferor Company shall carry on and be deemed to have been carrying on all the business and activities of the Transferor Company for and on behalf of and in trust for the Transferee Company.
- (ii) All profits / losses accruing to the Transferor Company and all taxes thereon arising or incurred by it, shall, for all purposes, be treated as the profits, losses or taxes as the case may be, of the Transferee Company.
- (iii) All accretions and depletions in relation to the Transferor Company shall be for and on account of the Transferee Company.

## PART C

### 4. CONSIDERATION

- 4.1 Upon Section II of the Scheme coming into effect on the Effective Date and upon the amalgamation of the Transferor Company with the Transferee Company, the board of directors of the Transferor Company, in consultation with the board of directors of the Transferee Company, shall determine a record date, being a date on or subsequent to the Effective Date ("**Amalgamation Record Date**") for the allotment of fully paid-up equity shares of face value of Rs. 10 (Rupees Ten only) each of the Transferee Company to the equity shareholders of the Transferor Company as on the Amalgamation Record Date.
- 4.2 The entitlement ratio stated in Clause 4.3 and Clause 4.5 of Part C of Section II of this Scheme has been determined by the respective boards of directors of the Transferor Company and the Transferee Company or committees thereof based on their independent judgment after taking into consideration the valuation report provided by Khandelia & Sharma, chartered accountants and the fairness opinion provided by merchant banker, SPA Capital Advisors Limited.
- 4.3 The respective boards of directors of the Transferor Company and the Transferee Company or committees thereof have determined the share entitlement ratio such that for every 10 (ten) equity shares of face value of Rs. 10 (Rupees Ten only) each held in the Transferor Company as on the Amalgamation Record Date, the equity shareholders of the Transferor Company shall be issued 26.987 (twenty six point nine eight seven) equity shares of face value of Rs. 10 (Rupees Ten only) each credited as fully paid-up in the Transferee Company so that the number of equity shares issued by the Transferee Company to the shareholders of the Transferor Company is the same as the number of equity shares held by the Transferor Company in the Transferee Company prior to the amalgamation pursuant to this Section II. Accordingly, a total of 20,44,79,356 (twenty crores forty four lakhs seventy nine thousand three hundred and fifty six) new equity shares of face value of Rs. 10 (Rupees Ten only) each will be issued by the Transferee Company. The Transferee Company shall, without any further act, instrument or deed, issue and allot to every equity shareholder of the Transferor Company as on the Amalgamation Record Date, the requisite number of equity shares in the Transferee Company. The said equity shares in the Transferee Company to be issued to the equity shareholders of the Transferor Company pursuant to this Clause shall rank *pari passu* in all respects with the existing equity shares of the Transferee Company.
- 4.4 It is hereby clarified that no equity shares shall be issued by the Transferee Company to any equity shareholder of the Transferor Company in respect of fractional entitlements, if any, as on the Amalgamation Record Date, of such equity shareholder at the time of issue and allotment of such equity shares by the Transferee Company. The board of directors of the Transferee Company shall instead consolidate all such fractional entitlements, (ignoring any fraction remaining after such



consolidation), and thereupon shall issue and allot equity shares in lieu thereof to a director or officer of the Transferee Company or such other person as the board of directors of the Transferee Company shall appoint in this behalf ("Trustee 2") who shall hold such equity shares in trust for all such equity shareholders of the Transferor Company who are entitled to such fractional balances, with the express understanding that such Trustee 2, shall be bound by the express understanding to cause the sale of such shares at such time(s), at such price(s) and to such person(s) as the directors or officers of Transferee Company or the Trustee 2 may deem fit and the net sale proceeds thereof, deposited with the Transferee Company (i.e., after deduction therefrom of expenses incurred in connection with the sale), shall be distributed by the Transferee Company to the relevant equity shareholders in proportion to their respective fractional entitlements.

- 4.5 Upon Section II of the Scheme coming into effect on the Effective Date and upon the amalgamation of the Transferor Company with the Transferee Company, if there are any outstanding Transferor Company CCDs in the Transferor Company as on the Amalgamation Record Date, the Transferee Company shall, without any further act, instrument or deed, issue and allot to each Transferor CCD Holder as on the Amalgamation Record Date, 1 (one) compulsorily convertible debentures having coupon rate of 9.25% (nine point two five percent) and having face value of Rs. 10,00,00,000 (Rupees Ten Crores only) each as fully paid up for every 1 (one) Transferor Company CCD held by such Transferor Company CCD Holder, on the same terms and conditions as are applicable to the Transferor Company CCDs ("Transferee Company CCDs").
- 4.6 On the approval of Section II of the Scheme by the members of the Transferee Company pursuant to Section 391-394 of the 1956 Act and/or the relevant provisions of the Act, if applicable, it shall be deemed that the said members have also accorded their consent under Sections 42, 62(1)(c) and 71 of the 2013 Act and/or any other applicable provisions of the Act and rules and regulations framed thereunder as may be applicable for the aforesaid issuance of equity shares/ compulsorily convertible debentures of the Transferee Company to the equity shareholders of the Transferor Company/ Transferor Company CCD Holders (as the case may be), and no further resolution or actions shall be required to be undertaken by the Transferee Company under Sections 42, 62(1)(c) or 71 of the 2013 Act or any other applicable provisions of the Act and rules and regulations framed thereunder, including, *inter alia*, issue of a letter of offer.

## 5. REDUCTION OF THE CAPITAL RESERVE AND SECURITIES PREMIUM ACCOUNT OF THE TRANSFEE COMPANY

- 5.1 Upon Section II of the Scheme coming into effect on the Effective Date, the debit balance (if any) of the capital reserve of the Transferee Company and accumulated accounting losses, if any, of the Transferor Company acquired by the Transferee Company pursuant to the amalgamation of the Transferor Company with the Transferee Company, after giving effect to Clause 6(e) of Section II of the Scheme, shall be adjusted against and to the extent balance available in the capital reserve, if any, and the balance if any, shall be adjusted against the securities premium account of the Transferee Company and to the extent of such adjustment the capital reserve and the securities premium account of the Transferee Company shall stand reduced without any further act or deed on the part of the Transferee Company. The reduction in the securities premium account of the Transferee Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 52 of the 2013 Act read with Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Transferee Company and without any approval or acknowledgement of any third party. The reduction in the capital reserve of the Transferee Company shall be effected as an integral part of the Scheme in accordance with the applicable provisions of Act without any further act or deed on the part of the Transferee Company and without

any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Sections 52 of the 2013 Act read with Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such the reduction in the securities premium account of the Transferee Company. It is hereby clarified that the provisions of Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, as the case may be) would not be applicable to the reduction in the capital reserve of the Transferee Company. The aforesaid reduction in the securities premium account of the Transferee Company would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the capital reserve and the securities premium account of the Transferee Company, the Transferee Company shall not be required to add "And Reduced" as suffix to its name.

- 5.2 It is expressly clarified that for the purposes of Clause 5 of Section II of the Scheme, the consent of the shareholders of the Transferee Company to the Scheme and the consent of the secured and unsecured creditors of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the reduction in the securities premium account of the Transferee Company and no further resolution and/or action under Section 100 and/ or Section 101 of the 1956 Act (or Section 66(1)(a) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder would be required to be separately passed or taken.
- 5.3 The reduction of the securities premium account of the Transferee Company shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(1)(a) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder pursuant to filing of the order of the Court sanctioning the aforesaid reduction by the Transferee Company with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court, with respect to the securities premium account of the Transferee Company as altered by the order and the amount of reduction in the securities premium account of the Transferee Company.
- 5.4 The reduction of the securities premium account of the Transferee Company shall become effective as set out in Clause 5.3 of Section II of the Scheme and shall be conditional upon Section II of the Scheme becoming effective on the Effective Date and with effect from the Amalgamation Appointed Date and shall take place after giving effect to Clause 6(e) of Section II of the Scheme. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reorganization resulting in reduction in the capital reserve and the securities premium account of the Transferee Company, as set out in this Clause 5 of Section II of the Scheme shall not become effective and shall be deemed to be redundant.

#### PART D

#### 6. ACCOUNTING TREATMENT

Pursuant to Section II of the Scheme coming into effect on the Effective Date with effect from the Amalgamation Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company with the Transferee Company in its books of accounts in accordance with the Indian Generally Accepted Accounting Principles followed by the Transferee Company on the Effective Date, in the following manner:



- (a) The Transferee Company shall record the assets, liabilities and reserves, including accumulated accounting losses of the Transferor Company vested in it pursuant to this Section II of the Scheme at their existing carrying amounts.
- (b) The identity of the reserves including accumulated accounting losses, if any, of the Transferor Company shall be maintained and the same shall be aggregated with the balances of similar reserves, if any, in the books of the Transferee Company.
- (c) Any inter-company deposits, loans, advances, balances, investments, guarantee, etc. between the Transferor Company and the Transferee Company shall stand cancelled.
- (d) The Transferee Company shall credit its issued and paid-up equity share capital account with the aggregate face value of the equity shares issued to the shareholders of the Transferor Company pursuant to Clause 4 of Part C of Section II of this Scheme.
- (e) The difference between the book value of assets minus the book values of the liabilities and reserves, if any, of the Transferor Company as on the Amalgamation Appointed Date taken over by the Transferee Company as per Clause 6(a) and (b) of Section II of the Scheme and accumulated accounting losses, if any, and cancellation in Clause 6(e) of Section II of the Scheme and the credit to the issued and paid up equity share capital of the Transferee Company as per Clause 6(d) of Section II of this Scheme, shall be credited/debited by the Transferee Company to its capital reserve.
- (f) The debit balance (if any) of capital reserve of the Transferee Company and the accumulated accounting losses, if any, of the Transferor Company acquired by the Transferee Company pursuant to the amalgamation of the Transferor Company with the Transferee Company, after giving effect to Clause 6(e) of Section II of the Scheme, shall be adjusted in the manner set out in Clauses 5.1 to 5.4 of Section II of the Scheme.
- (g) Any matter not dealt with in this Clause 6 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles followed by the Transferee Company on the Effective Date.

## 7. TRANSFER OF THE AUTHORIZED SHARE CAPITAL

- 7.1 As an integral part of the Scheme and upon the effectiveness of Section II of the Scheme, the authorised share capital of the Transferor Company amounting to Rs. 80,00,00,000 (Rupees Eighty Crores only) shall stand consolidated and vested in and merged with the authorised share capital of the Transferee Company and the authorised share capital of the Transferee Company as set out in Clause 2.1 of Section II of the Scheme herein above shall stand enhanced to Rs. 297,00,00,000 (Rupees Two Hundred and Ninety Crores only) divided into 297,00,00,000 (twenty nine crores) equity shares of face value of Rs. 10 (Rupees Ten only) each, without any further act, instrument or deed by the Transferee Company and without any liability for payment of any additional fees or stamp duty in respect of such increase as the stamp duty and fees has already been paid by Transferor Company on such authorized capital, the benefit of which stands vested in the Transferee Company pursuant to the Scheme becoming effective on the Effective Date. Subsequent to enhancement of the authorized share capital of the Transferee Company as contemplated herein, the authorized share capital clause of the Memorandum of Association (Clause V) of the Transferee Company shall stand modified and read as follows:

*"The Authorized Share Capital of the Company is Rs. 290,00,00,000 (Rupees Two Hundred and Ninety Crores only) divided into 29,00,00,000 (twenty nine crores) equity shares of face value of Rs. 10 (Rupees Ten only) each."*

- 7.2 It is hereby clarified that for the purposes of this Clause 7 of Part C of Section II of the Scheme, the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment and increase in authorised share capital of the Transferee Company, and no further resolutions or actions under Sections 13 and/or 61 of the 2013 Act and/ or any other applicable provisions of the Act would be required to be separately passed or taken. However, the Transferee Company shall make the requisite filings with the RoC for the increase in its authorised share capital in the manner set out in this Clause 7.

## 8. DISSOLUTION OF THE TRANSFEROR COMPANY

As mentioned above, the Transferee Company is a wholly owned subsidiary of the Transferor Company. Accordingly, upon Section II of the Scheme coming into effect, the equity shares held by the Transferor Company in the Transferee Company shall stand cancelled on the date of allotment of the equity shares by the Transferee Company to the equity shareholders of the Transferor Company, without any further act, instrument or deed of the Transferor Company or the Transferee Company and the Transferor Company shall, without any further act, instrument or deed of the Transferor Company or the Transferee Company, stand dissolved without winding up. The order of the Court sanctioning the Scheme will be deemed to be an order under section 102 of the 1956 Act.

## 9. CHANGE IN NAME OF THE TRANSFEE COMPANY

- 9.1 As an integral part of this Scheme, upon the effectiveness of Section II of the Scheme, the name of the Transferee Company shall stand changed to "*JITF Shipyards Limited*" or such other name as may be approved by the board, shareholders of the Transferee Company and the RoC, without any further act, instrument or deed and the name "*JITF Waterways Limited*" wherever it appears in the Memorandum and Articles of Association of the Transferee Company shall stand substituted by the new name "*JITF Shipyards Limited*" or such other name as may be approved by the board, shareholders of the Transferee Company and the RoC, without any further act, instrument or deed on the part of the Transferee Company. Upon such name change, the requirement of using or displaying the former name "*JITF Waterways Limited*" together with the new name "*JITF Shipyards Limited*" or such other name as may be approved by the board, shareholders of the Transferee Company and the RoC, outside its office, on its company seal, letters, bills, notices, official publications and all other places or documents whatsoever, shall be automatically dispensed with without any further act, instrument or deed on the part of the Transferee Company by virtue of the order of the Court sanctioning the Scheme. The order of the Court sanctioning the Scheme shall be deemed to be a specific direction under Section 13 of the 2013 Act read with Rule 8(8) of the Companies (Incorporation) Rules, 2014 and/ or any other applicable provisions of the Act and rules and regulations framed thereunder for the change of name of the Transferee Company to "*JITF Shipyards Limited*" pursuant to the release of the aforesaid name by the Transferor Company.
- 9.2 Pursuant to the effectiveness of this Scheme, the Transferee Company shall file the requisite forms with the RoC and shall obtain a fresh certificate of incorporation upon the change of its name to "*JITF Shipyards Limited*" or such other name as may be approved by the board, shareholders of the Transferee Company and the RoC.



9.3

It is hereby clarified that for the purposes of this Clause 9, the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment or changing the name of the Transferee Company and no further resolution under Section 13 of the 2013 Act and/or any other applicable provisions of the Act and rules and regulations framed thereunder would be required to be separately passed.



### SECTION III

#### DEMERGER OF THE DEMERGED UNDERTAKING 2 (AS DEFINED HEREINAFTER) OF THE DEMERGED COMPANY 2 (AS DEFINED HEREINAFTER) AND VESTING OF THE SAME WITH THE RESULTING COMPANY 2 (AS DEFINED HEREINAFTER)

##### PART A

##### WHEREAS:

- A. JITF Waterways Limited, is a company incorporated under the Companies Act, 1956 having its registered office at A-1 UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan District, Mathura, Uttar Pradesh- 281403, after giving effect to Section II of the Scheme (hereinafter referred to as the "Demerged Company 2"). The Demerged Company 2 will become a wholly owned subsidiary of the Resulting Company 2 after giving effect to Section II of the Scheme.
- B. Jindal Saw Limited (hereinafter referred to as the "Resulting Company 2"), is a company incorporated under the Companies Act, 1956 having its registered office at A-1 UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan District, Mathura, Uttar Pradesh- 281403. The Resulting Company 2 has diverse business interests in the manufacturing of steel pipe and steel pellets and infrastructure businesses.
- C. In terms of Section III of this Scheme, it is now proposed, *inter alia*, to demerge the Demerged Undertaking 2 (as defined hereinafter) of the Demerged Company 2, and vest the same with the Resulting Company 2, reduce the capital redemption reserve (if required), capital reserve (if required) and the securities premium account (if required) of the Resulting Company 2, reduce the issued and paid up equity share capital, capital reserve (if required) and the securities premium account (if required) of the Demerged Company 2, with effect from the Demerger Appointed Date 2 (as defined hereinafter) pursuant to and under Sections 391 to 394 read with Section 100 - 103 of the 1956 Act and/or other relevant provisions of the Act and the rules and regulations framed thereunder, in the manner provided for in Section III of the Scheme.
- D. The demerger of the Demerged Undertaking 2 of the Demerged Company 2 and vesting of the same with the Resulting Company 2 pursuant to and in accordance with this Scheme shall be in accordance with Section 2(19AA) of the IT Act (as defined hereinafter).

##### 1. DEFINITIONS

For the purposes of Section III of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings mentioned herein below:

- (a) "Demerged Company 2" shall have the meaning ascribed to it in Recital A of Section III hereto.
- (b) "Demerged Business 2" comprises of the business and business interests of the Demerged Company 2 in the ocean waterways business *inter alia* through subsidiaries of the Demerged Company 2 engaged in the ocean waterways business.
- (c) "Demerged Undertaking 2" means the undertaking of the Demerged Company 2, pertaining to the Demerged Business 2, which shall be inclusive of, but not limited to:
- (i) all assets, whether moveable or immovable including all rights, title, interest, claims,



covenants, undertakings of the Demerged Company 2 pertaining to the Demerged Business 2, including without limitation, the fixed assets listed in Schedule 2 hereto;

- (ii) all investments, receivables, loans and advances extended (including CENVAT credit or other tax assets), including accrued interest thereon of the Demerged Company 2 pertaining to the Demerged Business 2;
  - (iii) all debts, borrowings and liabilities (including the Transferee Company CCDs, if any), whether present or future, whether secured or unsecured availed by the Demerged Company 2 pertaining to the Demerged Business 2;
  - (iv) all permits, rights, entitlements, licenses, approvals, grants, allotments, recommendations, clearances, tenancies, offices, taxes, tax deferrals and benefits, subsidies, concessions, refund of any tax, duty, cess or of any excess payment, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax business losses and unabsorbed depreciation), tax deducted at source, sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit etc.) of every kind and description whatsoever of the Demerged Company 2 pertaining to the Demerged Business 2;
  - (v) all trademarks, service marks, patents and other intellectual property rights of every kind and description whatsoever of the Demerged Company 2 pertaining to the Demerged Business 2;
  - (vi) all privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Demerged Company 2 pertaining to the Demerged Business 2;
  - (vii) all employees of the Demerged Company 2 employed in relation to the Demerged Business 2;
  - (viii) all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company 2 pertaining to the Demerged Business 2;
  - (ix) all legal, tax, regulatory, quasi judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature initiated by or against the Demerged Company 2 in connection with the Demerged Business 2; and
  - (x) all books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form in connection with or relating to the Demerged Company 2 and pertaining to the Demerged Business 2.
- (d) "Demerger Appointed Date 2" means the opening of business hours as on April 1, 2015, or any other date as may be decided by the respective boards of directors of the Demerged Company 2 and the Resulting Company 2, being the time and date with effect from which Section III of this Scheme will be deemed to be effective, in the manner described in Clause 1.3 of Section IV of this Scheme.
- (e) "Resulting Company 2" shall have the meaning ascribed to it in Recital B of Section III hereto.

- (f) "Transferee Company CCDs" shall have the meaning ascribed to it in Clause 4.5 of Section II hereto.

The expressions, which are used in this Section III of the Scheme and not defined in Section III shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section I, Section II or Section IV of the Scheme or in absence thereof, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

## 2. SHARE CAPITAL

- 2.1 The share capital of the Demerged Company 2, as on September 30, 2015 was as under:

Share Capital	Amount (Rs.)
<i>Authorized Capital</i>	
<u>Equity</u> 210,000,000 Equity Shares of Rs. 10 each	2,100,000,000
<b>Total</b>	<b>2,100,000,000</b>
<i>Issued, Subscribed and Paid-up Capital</i>	
20,44,79,356 Equity Shares of Rs. 10 each	2,044,793,560
<b>Total</b>	<b>2,044,793,560</b>

- 2.2 Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Demerged Company 2, there has been no change in the issued, subscribed or paid up capital of the Demerged Company 2.
- 2.3 The share capital of the Resulting Company 2, as on September 30, 2015 was as under:

Share Capital	Amount (Rs.)
<i>Authorized Capital</i>	
<u>Equity</u> 500,000,000 Equity Shares of Rs. 2 each	1,000,000,000.00
<u>Preference</u> 10,000,000 Redeemable Preference shares of Rs. 100 each	1,000,000,000.00
<b>Total</b>	<b>2,000,000,000.00</b>
<i>Issued Capital</i>	
304,537,881 Equity Shares of Rs. 2 each	609,075,762
<b>Total</b>	<b>609,075,762</b>
<i>Subscribed and Paid-up Capital</i>	
304,533,881 Equity Shares of Rs. 2 each	609,071,762
Forfeited 4,000 Equity Shares of Rs. 2 each (Partly paid up Rs. 1 each)	4,000
<b>Total</b>	<b>609,075,762</b>



Allotment of 3,250 (three thousand two hundred and fifty) equity shares of face value of Rs. 2 (Rupees Two only) each has been kept in abeyance by the Resulting Company 2 pursuant to court orders.

Additionally, as on September 30, 2015, 1,52,23,486 (one crore fifty two lakhs twenty three thousand four hundred and eighty six) compulsorily convertible debentures issued by the Resulting Company 2 are outstanding and are due for conversion into an equal number of equity shares of the Resulting Company 2 by April 30, 2016.

- 2.4 Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Resulting Company 2, there has been no change in the issued, subscribed or paid up share capital of the Resulting Company 2.

## PART B

### 3. DEMERGER OF THE DEMERGED UNDERTAKING 2 OF THE DEMERGED COMPANY 2 AND VESTING OF THE SAME WITH THE RESULTING COMPANY 2.

- 3.1 Subject to the provisions of Section III of the Scheme in relation to the modalities of demerger and vesting, upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, the Demerged Undertaking 2, together with all its properties, assets, investments, rights, obligations, liabilities, benefits and interests therein, shall demerge from the Demerged Company 2 and be transferred to and vest in the Resulting Company 2, and shall become the property of and an integral part of the Resulting Company 2 subject to the existing charges and encumbrances, if any, created by the Demerged Company 2 in favour of its lenders or the lenders of its subsidiaries or group companies, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed required by either of the Demerged Company 2 or the Resulting Company 2. Without prejudice to the generality of the above, in particular, the Demerged Undertaking 2 shall stand vested in the Resulting Company 2, in the manner described in sub-paragraphs (a) – (n) below:

- a. Upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, all immovable property (including land, buildings and any other immovable property) of the Demerged Company 2 in relation to the Demerged Undertaking 2, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall stand vested in or be deemed to be vested in the Resulting Company 2, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed by the Demerged Company 2 or the Resulting Company 2. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, the Resulting Company 2 shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, the title to the immovable properties of the Demerged Undertaking 2 shall be deemed to have been mutated and recognised as that of the Resulting Company 2 and the mere filing of the vesting order of the Court sanctioning the Scheme with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title to the immovable properties of the Demerged Undertaking 2 with the Resulting Company 2 pursuant to the Section III of the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Resulting Company 2 shall in pursuance of the vesting order of the Court be entitled to the delivery and possession of all documents of title to such immovable property in this regard.

- b. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, all the assets of the Demerged Company 2 relating to the Demerged Undertaking 2 as are movable in nature and are capable of transfer by endorsement and delivery, shall stand vested in Resulting Company 2, and shall become the property and an integral part of Resulting Company 2. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical delivery or by endorsement and delivery, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly.
- c. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts and receivables, outstanding loans and advances, if any, relating to the Demerged Undertaking 2, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 2 or the Resulting Company 2, become the property of the Resulting Company 2. Where any of the outstanding receivables attributed to the Demerged Undertaking 2 have been received by the Demerged Company 2 on behalf of the Demerged Undertaking 2 after the Demerger Appointed Date 2, the same shall be deemed to have been received by the Demerged Company 2 and on behalf of the Resulting Company 2.
- d. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, all debts, liabilities (including the Transferee Company CCDs, if any), contingent liabilities, duties and obligations, secured or unsecured, relating to the Demerged Undertaking 2, whether provided for or not in the books of accounts of the Demerged Company 2 or disclosed in the balance sheet of the Demerged Undertaking 2, including general and multipurpose borrowings, if any, shall become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company 2, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 2 or the Resulting Company 2. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, the Resulting Company 2 undertakes to meet, discharge and satisfy the same to the exclusion of the Demerged Company 2. 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, duties and obligations have arisen in order to give effect to the provisions of this Clause. However, if any lender of the Demerged Company 2 requires satisfaction of the charge over the Demerged Company 2's properties and recordal of a new charge with the Resulting Company 2, the Resulting Company 2 shall for good order and for statistical purposes, file appropriate forms with the RoC as accompanied by the sanction order or a certified copy thereof and any deed of modification or novation executed by the Resulting Company 2. Where any of the loans, liabilities and obligations attributed to the Demerged Undertaking 2 have been discharged by the Demerged Company 2 on behalf of the Demerged Undertaking 2 after the Demerger Appointed Date 2 but before the Effective Date, such discharge shall be deemed to have been done by the Demerged Company 2 for and on behalf of the Resulting Company 2.
- e. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, all incorporeal or intangible property of the Demerged Undertaking 2 shall stand vested in the Resulting Company 2 and shall become the property



and an integral part of the Resulting Company 2, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 2 or Resulting Company 2.

- f. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, all letters of intent, contracts, deeds, bonds, agreements, insurance policies, capital investment, subsidies, guarantees and indemnities, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking 2 of the Demerged Company 2 to which it is a party or to the benefit of which it may be entitled, shall be in full force and effect against or in favour of the Resulting Company 2, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 2 or Resulting Company 2, and may be enforced as fully and effectually as if, instead of the Demerged Company 2, the Resulting Company 2 had been a party or beneficiary or obligee thereto.
- g. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations including relating to trademarks, logos, patents and other intellectual property rights, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits, tax refunds, tax holidays (relating to direct or indirect tax), entitlements (including, but not limited to, credits in respect of income tax (including carry forward tax business losses and unabsorbed depreciation), sales tax, value added tax, turnover tax, excise duty, service tax, security transaction tax, minimum alternate tax credit and duty entitlement credit certificates etc.), facilities of every kind and description of whatsoever nature, in relation to the Demerged Undertaking 2 to which the Demerged Company 2 is a party or to the benefit of which the Demerged Company 2 may be eligible, shall be enforceable by or against the Resulting Company 2, as fully and effectually as if, instead of the Demerged Company 2, the Resulting Company 2 had been a party or beneficiary or obligee thereto, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 2 or the Resulting Company 2.
- h. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, any statutory licenses, no-objection certificates, permissions, registrations (including sales tax, service tax, excise, value added tax), approvals, consents, permits, quotas, easements, goodwill, entitlements, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the Demerged Undertaking 2 of the Demerged Company 2 or granted to the Demerged Company 2 in relation to the Demerged Undertaking 2 shall stand vested in or transferred to the Resulting Company 2, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 2 or the Resulting Company 2, and shall be appropriately transferred or assigned by the concerned statutory authorities in favour of the Resulting Company 2 upon demerger of the Demerged Undertaking 2 and vesting of the same with the Resulting Company 2 pursuant to Section III of this Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking 2 of the Demerged Company 2 shall vest in and become available to the Resulting Company 2 upon Section III of this Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 2 or the Resulting Company 2.

- i. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, the Resulting Company 2 shall bear the burden and the benefits of any legal or other proceedings initiated by or against the Demerged Company 2 in respect of the Demerged Undertaking 2. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, if any suit, appeal or other proceeding of whatsoever nature by or against the Demerged Company 2, in respect of the Demerged Undertaking 2, be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of Demerged Undertaking 2 or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company 2 in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company 2, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 2 or the Resulting Company 2. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, the Resulting Company 2 undertakes to have such legal or other proceedings initiated by or against the Demerged Company 2 in respect of the Demerged Undertaking 2 transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company 2 to the exclusion of the Demerged Company 2. The Resulting Company 2 also undertakes to handle all legal or other proceedings which may be initiated against the Demerged Undertaking 2 of the Demerged Company 2 after the Effective Date in respect of the period up to the Effective Date, in its own name and account.
- j. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, all persons that were employed in the Demerged Undertaking 2 immediately before such date shall become employees of the Resulting Company 2, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 2 or the Resulting Company 2, with the benefit of continuity of service on the same terms and conditions as were applicable to such employees immediately prior to such demerger and without any break or interruption in service. It is clarified that such employees of the Demerged Company 2 forming part of the Demerged Undertaking 2 that become employees of the Resulting Company 2 by virtue of this Scheme, shall continue to be governed by the terms of employment as were applicable to them immediately before such demerger and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Resulting Company 2, unless and otherwise so stated by the Resulting Company 2 in writing in respect of all employees, class of employees or any particular employee. The Resulting Company 2 undertakes to continue to abide by any agreement/settlement, if any, entered into by the Demerged Company 2 in respect of such employees forming part of the Demerged Undertaking 2 Demerged Undertaking 2 with their respective employees/ employee unions. With regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of the Demerged Company 2 forming part of the Demerged Undertaking 2, upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, the Resulting Company 2 shall stand substituted for the Demerged Company 2, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 2 or the Resulting Company 2, for all purposes whatsoever relating to the obligations to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident fund benefits, gratuity benefits and superannuation benefits or any other



special benefits or obligation, if any, created or used by the Demerged Company 2 (or an affiliate of the Demerged Company 2 on behalf of the Demerged Company 2) for its employees forming part of the Demerged Undertaking 2 and being transferred to the Resulting Company 2 pursuant to this Scheme shall be continued by the Resulting Company 2 for the benefit of such employees on the same terms and conditions. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Demerged Company 2 in relation to such schemes or funds forming part of the Demerged Undertaking 2 shall become those of the Resulting Company 2. Further, upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee forming part of the Demerged Undertaking 2 by the Demerged Company 2 shall be continued/continue to operate against the relevant employee and shall be enforced by the Resulting Company 2, without any further act, instrument or deed of the Demerged Company 2 or the Resulting Company 2.

- k. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, all direct and indirect taxes, duties and cess (such as income tax, service tax, security transaction tax, value added tax, minimum alternate tax, advance tax, excise tax etc. or any other like payments made by the Demerged Company 2 to any statutory authorities), or other collections made by the Demerged Company 2 in relation to the Demerged Undertaking 2 and relating to the period after the Demerger Appointed Date 2 up to the Effective Date, shall be deemed to have been on account of, or on behalf of, or paid by, or made by the Resulting Company 2, without any further act, instrument or deed of the Demerged Company 2 or the Resulting Company 2. Further, upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, all deduction otherwise admissible to Demerged Company 2 pertaining to Demerged Undertaking 2 including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (such as under Section 43B, Section 40, Section 40A etc. of the IT Act) shall be eligible for deduction to the Resulting Company 2 upon fulfilment of the required conditions under the IT Act. Further, the Resulting Company 2 shall be entitled to claim credit for taxes deducted at source/ paid against its tax/ duty liabilities/ minimum alternate tax, advance tax, service tax, value added tax liability etc., notwithstanding the certificates/ challans or other documents for payment of such taxes/duties, as the case may be, being in the name of the Demerged Company 2. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, any business losses and/ or unabsorbed depreciation (each as per the IT Act) of the Demerged Company 2 as at the Demerger Appointed Date 2 relating to the Demerged Undertaking 2 shall be treated as 'business losses' and/ or 'unabsorbed depreciation' (for the purpose of the IT Act) of the Resulting Company 2 and the Resulting Company 2 shall, without any further act, instrument or deed of the Demerged Company 2 or the Resulting Company 2, be allowed to carry forward and/ or set off such business losses or unabsorbed depreciation in accordance with the provisions of Section 72A of the IT Act.
- l. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, all taxes payable by the Demerged Company 2 in relation to the Demerged Undertaking 2 including all or any refunds of claims shall be treated as the tax liability or refunds/claims as the case may be, of the Resulting Company 2; without any further act, instrument or deed of the Demerged Company 2 or the Resulting Company 2, and the Resulting Company 2 shall be entitled to file/revise its statutory returns and related tax payment certificates and to claim refunds and advance tax credits as may be required consequent to the implementation of the Scheme; and all tax compliances under applicable

laws by the Demerged Company 2 shall be deemed to have been undertaken by the Resulting Company 2.

- m. The Resulting Company 2 shall, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements, including any forms or depository instructions, with any party to any contract or arrangement in relation to the Demerged Undertaking 2 to which the Demerged Company 2 is a party, in order to give formal effect to the above provisions. The Resulting Company 2 shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writing on behalf of the Demerged Company 2 and to carry out or perform all such formalities or compliances referred to above on behalf of the Demerged Company 2.
- n. With effect from the Demerger Appointed Date 2 and up to and including the Effective Date:
- (i) the Demerged Company 2 shall carry on and be deemed to have been carrying on all the business and activities of the Demerged Undertaking 2 for and on behalf of and in trust for the Resulting Company 2.
  - (ii) All profits / losses accruing to the Demerged Company 2 in relation to the Demerged Undertaking 2 and all taxes thereon arising or incurred by it, in relation to the Demerged Undertaking 2 shall, for all purposes, be treated as the profits, losses or taxes as the case may be, of the Resulting Company 2.
  - (iii) All accretions and depletions in relation to the Demerged Undertaking 2 shall be for and on account of the Resulting Company 2.

#### PART C

#### 4. CONSIDERATION

- 4.1 Since the Demerged Company 2 will become a wholly owned subsidiary of the Resulting Company 2 after giving effect to Section II of the Scheme, there shall be no consideration payable by the Resulting Company 2 to the shareholder of the Demerged Company 2 (that is, the Resulting Company 2 itself) for the demerger of the Demerged Undertaking 2 from Demerged Company 2 and vesting of the same with the Resulting Company 2.

#### 5. REDUCTION OF THE CAPITAL REDEMPTION RESERVE, CAPITAL RESERVE AND THE SECURITIES PREMIUM ACCOUNT OF THE RESULTING COMPANY 2 AND REDUCTION OF THE ISSUED AND PAID UP EQUITY SHARE CAPITAL, CAPITAL RESERVE AND THE SECURITIES PREMIUM ACCOUNT OF THE DEMERGED COMPANY 2

- 5.1. Upon Section III of the Scheme coming into effect on the Effective Date, amount of accumulated accounting losses (if any) pertaining to the Demerged Undertaking 2 transferred to the Resulting Company 2 pursuant to this Section III of the Scheme and the debit balance (if any) of the restructuring reserve account of the Resulting Company 2 after giving effect to Clause 6.1(d) of Section III of the Scheme, shall be adjusted to the extent of balance available, firstly against the capital redemption reserve of the Resulting Company 2 and then against the capital reserve of the Resulting Company 2 and the balance, if any, shall be adjusted against the securities premium account of the Resulting Company 2 and to the extent of such adjustment, the capital redemption



reserve, the capital reserve and the securities premium account of the Resulting Company 2 shall stand reduced without any further act or deed on the part of the Resulting Company 2. The reduction in the capital redemption reserve and the securities premium account of the Resulting Company 2 shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 52 and 55(2) of the 2013 Act read with Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Resulting Company 2 and without any approval or acknowledgement of any third party. The reduction in the capital reserve of the Resulting Company 2 shall be effected as an integral part of the Scheme in accordance with the applicable provisions of Act without any further act or deed on the part of the Resulting Company 2 and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Sections 52 and 55(2) of the 2013 Act read with Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction in the capital redemption reserve and the securities premium account of the Resulting Company 2. It is hereby clarified that the provisions of Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, as the case may be) would not be applicable to the reduction in the capital reserve of the Resulting Company 2. The aforesaid reduction in the capital redemption reserve and the securities premium account of the Resulting Company 2 would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the capital redemption reserve and the securities premium account of the Resulting Company 2, the Resulting Company 2 shall not be required to add "And Reduced" as suffix to its name.

- 5.2. It is expressly clarified that for the purposes of Clause 5 of Section III of the Scheme, the consent of the shareholders of the Resulting Company 2 to the Scheme and the consent of the secured and unsecured creditors of the Resulting Company 2 to the Scheme shall be deemed to be sufficient for the purposes of effecting the reduction in the capital redemption reserve and the securities premium account of the Resulting Company 2 and no further resolution and/or action under Section 100 and/ or Section 101 of the 1956 Act (or Section 66(1)(a) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder would be required to be separately passed or taken.
- 5.3. The reduction of the capital redemption reserve and the securities premium account of the Resulting Company 2 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(1)(a) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder pursuant to filing of the order of the Court sanctioning the aforesaid reduction by the Resulting Company 2 with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court, with respect to the capital redemption reserve and the securities premium account of the Resulting Company 2 as altered by the order and the amount of reduction in capital redemption reserve and the securities premium account of the Resulting Company 2.
- 5.4. The reduction of the capital redemption reserve and the securities premium account of the Resulting Company 2 shall become effective as set out in Clause 5.3 of Section III of the Scheme and shall be conditional upon Section III of the Scheme becoming effective on the Effective Date and with effect from the Demerger Appointed Date 2 and shall take place after giving effect to Clause 6.1(d) of Section III of the Scheme. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reorganization resulting in reduction in the capital redemption reserve, capital reserve and the securities premium account of the Resulting Company 2, as set out in this Clause 5 of Section III of the Scheme shall not become effective and shall be deemed to be redundant.



- 5.5. Upon Section III of the Scheme coming into effect on the Effective Date, 20,24,79,356 (twenty crores twenty four lakhs seventy nine thousand three hundred and fifty six) issued and paid up equity shares of the Demerged Company 2 having face value of Rs. 10 (Rupees Ten only) each shall stand cancelled without any further act or deed on the part of the Demerged Company 2 and the amount so reduced shall be credited to the capital reserve account of the Demerged Company 2. The reduction in the issued and paid-up equity share capital of the Demerged Company 2 shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Demerged Company 2 and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the issued and paid-up equity share capital of the Demerged Company 2, the Demerged Company 2 shall not be required to add "And Reduced" as suffix to its name.
- 5.6. It is expressly clarified that for the purposes of this Clause 5 of Section III of the Scheme, the consent of the shareholders and the creditors of the Demerged Company 2 to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganization in the issued and paid-up equity share capital of the Demerged Company 2 resulting in a reduction in the equity share capital of the Demerged Company 2, and no further resolution and/or action under Section 100 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.
- 5.7. The reduction of the issued and paid-up equity share capital of the Demerged Company 2 as contemplated in this Clause 5 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder, pursuant to the filing of the order of the Court sanctioning the aforesaid capital reduction by the Demerged Company 2 with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court, if any, showing, with respect to the issued and paid-up equity share capital of the Demerged Company 2 as altered by the order, (a) the amount of issued and paid-up equity share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minute and order by the RoC. Such reduction in the issued and paid-up equity share capital of the Demerged Company 2 as contemplated in this Clause 5 of Section III of the Scheme shall be conditional upon Section III of this Scheme becoming effective on the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reduction of issued and paid-up equity share capital as set out in this Clause 5 of Section III of the Scheme shall not become effective and shall be deemed to be redundant.
- 5.8. Further, upon Section III of the Scheme coming into effect on the Effective Date, the debit balance (if any) of restructuring reserve account pursuant to Clauses 6.2 (b) and (c) of Section III of the Scheme shall be adjusted first against the capital reserve of the Demerged Company 2 and the balance, if any, shall be adjusted against the securities premium account of the Demerged Company 2 and to the extent of such adjustment, the capital reserve and the securities premium account of the Demerged Company 2 shall stand reduced without any further act or deed on the part of the Demerged Company 2. The reduction in the securities premium account of the Demerged Company 2 shall be effected as an integral part of the Scheme in accordance with the provisions of Sections



52 of the 2013 Act read with Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Demerged Company 2 and without any approval or acknowledgement of any third party. The reduction in the capital reserve of the Demerged Company 2 shall be effected as an integral part of the Scheme in accordance with the applicable provisions of Act without any further act or deed on the part of the Demerged Company 2 and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Sections 52 of the 2013 Act read with Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such the reduction in the securities premium account of the Demerged Company 2. It is hereby clarified that the provisions of Sections 100 to 103 of the 1956 Act (or Section 65 of the 2013 Act, as the case may be) would not be applicable to the reduction in the capital reserve of the Demerged Company 2. The aforesaid reduction in the securities premium account of the Demerged Company 2 would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the securities premium account of the Demerged Company 2, the Demerged Company 2 shall not be required to add "And Reduced" as suffix to its name.

- 5.9. It is expressly clarified that for the purposes of Clause 5 of Section III of the Scheme, the consent of the shareholders of the Demerged Company 2 to the Scheme and the consent of the secured and unsecured creditors of the Demerged Company 2 to the Scheme shall be deemed to be sufficient for the purposes of effecting the reduction in the securities premium account of the Demerged Company 2 and no further resolution and/or action under Section 100 and/ or Section 101 of the 1956 Act (or Section 66(1)(a) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder would be required to be separately passed or taken.
- 5.10. The reduction of the securities premium account of the Demerged Company 2 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(1)(a) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder pursuant to filing of the order of the Court sanctioning the aforesaid reduction by the Demerged Company 2 with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court, with respect to the securities premium account of the Demerged Company 2 as altered by the order and the amount of reduction in the securities premium account of the Demerged Company 2.
- 5.11. The reduction of the securities premium account of the Demerged Company 2 shall become effective as set out in Clause 5.10 of Section III of the Scheme and shall be conditional upon Section III of the Scheme becoming effective on the Effective Date and with effect from the Demerger Appointed Date 2 and shall take place after giving effect to Clauses 6.2 (b) and (c) of Section III of the Scheme. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reorganization resulting in reduction in the capital reserve and the securities premium account of the Demerged Company 2, as set out in this Clause 5 of Section III of the Scheme shall not become effective and shall be deemed to be redundant.

## PART D

### 6. ACCOUNTING TREATMENT

#### 6.1 Treatment in the books of Resulting Company 2

Pursuant to Section III of the Scheme coming into effect on the Effective Date with effect from the Demerger Appointed Date 2, the Resulting Company 2 shall account for the demerger and vesting of the Demerged Undertaking 2 with the Resulting Company 2 in its books of accounts in accordance with the Indian Generally Accepted Accounting Principles followed by the Resulting Company 2 on the Effective Date, in the following manner:

- (a) The assets, liabilities and accumulated accounting losses (if any) transferred to and vested in the Resulting Company 2 pursuant to this Section III of the Scheme, shall be recorded in the books of account of the Resulting Company 2 at the book values of the respective assets and liabilities and accumulated accounting losses as recorded in the books of account of the Demerged Company 2 as on the Demerger Appointed Date 2;
- (b) The amount appearing in 'Investments in equity shares of JITF Shipyards Account' shall be reduced by the amount of assets of the Demerged Undertaking 2 transferred to the Resulting Company 2 pursuant to this Section III of the Scheme, as recorded in the books of accounts of the Demerged Company 2. However, the balance in 'Investments in equity shares of JITF Shipyards Account' of the Resulting Company 2 shall, under no circumstances, be reduced to less than Rs. 2,00,00,000 (Rupees Two Crore only);
- (c) The amount, if any, of net assets (i.e. assets minus liabilities) of the Demerged Undertaking 2 transferred to the Resulting Company 2 pursuant to this Section III of the Scheme in excess of the amount in the 'investments in JITF Shipyards Limited account' of the Resulting Company 2 (except for an amount of Rs. 2,00,00,000 (Rupees Two Crore only)) shall be credited to the capital reserve account of the Resulting Company 2;
- (d) In case the amount of liabilities of the Demerged Undertaking 2 transferred to the Resulting Company 2 pursuant to this Section III of the Scheme, exceeds the amount of assets pertaining to the Demerged Undertaking 2 recorded in the books of accounts of the Resulting Company 2, after giving effect to Clause 6.1(b) of Section III of this Scheme, such excess amount shall be debited to the restructuring reserve account of the Resulting Company 2.
- (e) Accumulated accounting losses (if any) transferred to Resulting Company 2 as a result of the demerger of the Demerged Undertaking 2 shall be credited to the capital reserves of Resulting Company 2.
- (f) The amount of accumulated accounting losses (if any) transferred to Resulting Company 2 as a result of the demerger of the Demerged Undertaking 2 and the debit balance, if any, of the restructuring reserve account (after giving effect to Clause 6.1(d) of Section III of the Scheme), shall be adjusted in the manner set out in Clauses 5.1 to 5.4 of Section III of the Scheme.
- (g) Any inter-company deposits, loans, advances, balances, investments, guarantees, etc. between the Demerged Company 2 and the Resulting Company 2 shall stand cancelled.



- (h) Any matter not dealt with in this Clause 6.1 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles followed by the Resulting Company 2 on the Effective Date.

## 6.2 Treatment in the books of the Demerged Company 2

Pursuant to Section III of the Scheme coming into effect on the Effective Date with effect from the Demerger Appointed Date 2, the Demerged Company 2 shall account for the demerger and vesting of the Demerged Undertaking 2 with the Resulting Company 2 in its books of accounts in accordance with Indian Generally Accepted Accounting Principles followed by the Demerged Company 2 on the Effective Date, in the following manner:

- (a) The respective book values of the assets and liabilities and accumulated accounting losses (if any) of the Demerged Undertaking 2 shall be reduced in the books of accounts of the Demerged Company 2 in compliance with the applicable accounting standards.
- (b) The accumulated accounting losses (if any) relating to the Demerged Undertaking 2 transferred to Resulting Company 2 and the accumulated accounting losses (if any) not pertaining to the Demerged Undertaking 2 as retained by the Demerged Company 2, shall be transferred to restructuring reserve account of the Demerged Company 2.
- (c) In case the amount of assets pertaining to the Demerged Undertaking 2 exceeds the amount of liabilities pertaining to the Demerged Undertaking 2 being transferred by the Demerged Company 2 pursuant to Section III of the Scheme, the difference between the amount of assets and liabilities pertaining to the Demerged Undertaking 2 being transferred by the Demerged Company 2 pursuant to Section III of the Scheme shall be transferred to restructuring reserve account of the Demerged Company 2.
- (d) The debit balance (if any) in the restructuring reserve account of the Demerged Company 2, after giving effect to Clauses 6.1 (b) and (c) of Section III of this Scheme shall be adjusted in the manner set out in Clauses 5.8 to 5.11 of Section III of this Scheme.
- (e) In case the amount of liabilities pertaining to the Demerged Undertaking 2 exceeds the amount of assets pertaining to the Demerged Undertaking 2 being transferred by the Demerged Company 2 pursuant to Section III of the Scheme, the difference between the amount of liabilities and assets shall be credited to capital reserves of the Demerged Company 2.
- (f) Any matter not dealt with in this Clause 6.2 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles followed by the Demerged Company 2 on the Effective Date.

## 7. TRANSFER OF THE AUTHORIZED SHARE CAPITAL

- 7.1 The demerger of the Demerged Undertaking 2 from the Demerged Company 2 and vesting of the same with the Resulting Company 2 pursuant to Section III of the Scheme shall *inter alia* result in reduction of the issued and paid-up share capital of the Demerged Company 2 (pursuant to Section II of the Scheme). Such reduction in the issued and paid-up equity share capital of the Demerged Company 2 would substantially enhance the unused authorised share capital in the Demerged Company 2. Accordingly, as an integral part of the Scheme and upon the effectiveness of Section III of the Scheme, an amount of Rs. 270,00,00,000 (Rupees Two Hundred and Seventy Crores



only), shall stand transferred from the authorized equity share capital of the Demerged Company 2 to the authorized equity share capital of the Resulting Company 2 and upon such transfer, the authorized share capital of the Resulting Company 2 as set out in Clause 2.3 of Section III of the Scheme herein above shall stand enhanced to Rs. 455,00,00,000 (Rupees Four Hundred and Fifty Five Crores only) divided into 1,77,50,00,000 (one thousand seventy seven crores and fifty lakhs) equity shares of face value of Rs. 2 (Rupees Two only) each and 1,00,00,000 (one crore) redeemable preference shares of face value of Rs. 100 (Rupees Hundred only) each, without any further act, instrument or deed by the Resulting Company 2 and without any liability for payment of any additional fees or stamp duty in respect of such increase as the stamp duty and fees has already been paid by Demerged Company 2 on such authorized capital, the benefit of which stands vested in the Resulting Company 2 pursuant to the Scheme becoming effective on the Effective Date. Subsequent to enhancement of the authorized equity share capital of the Resulting Company 2 as contemplated herein, the authorized share capital clause of the Memorandum of Association (Clause V) of the Resulting Company 2 shall stand modified and read as follows:

*"The Authorised Share Capital of the Company is Rs. 455,00,00,000 (Rupees Four Hundred and Fifty Five Crores only) divided into 1,77,50,00,000 (one thousand seventy seven crores and fifty lakhs) equity shares of face value of Rs. 2 (Rupees Two only) each and 1,00,00,000 (one crore) redeemable preference shares of face value of Rs. 100 (Rupees Hundred only) each."*

- 7.2 It is hereby clarified that for the purposes of this Clause 7 of Section III of the Scheme, the consent of the shareholders of the Resulting Company 2 to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment and increase in authorized share capital of the Resulting Company 2, and no further resolutions or actions under Sections 13 and/or 61 of the 2013 Act and/ or any other applicable provisions of the Act would be required to be separately passed or taken. However, the Resulting Company 2 shall make the requisite filings with the RoC for the increase in its authorised share capital in the manner set out in this Clause 7 of Section III of the Scheme.

#### 8. ISSUANCE OF COMPULSORILY CONVERTIBLE DEBENTURES BY THE RESULTING COMPANY 2

- 8.1 Upon Section III of the Scheme coming into effect on the Effective Date and upon the demerger of the Demerged Undertaking 2 (including the Transferee Company CCDs, if any) from the Demerged Company 2/Transferee Company and vesting of the Demerged Undertaking 2 (including the Transferee Company CCDs, if any) with the Resulting Company 2, as an integral part of Section III of the Scheme, if there are any outstanding Transferee Company CCDs in the Demerged Company 2/Transferee Company as on the Amalgamation Record Date, the Resulting Company 2 shall, without any further act, instrument or deed, issue and allot to each holder of the Transferee Company CCDs as on the Amalgamation Record Date, 1 (one) compulsorily convertible debentures having coupon rate of 9.25% (nine point two five percent) and having face value of Rs. 10,00,00,000 (Rupees Ten Crores only) each as fully paid up for every 1 (one) Transferee Company CCD held by such holder of the Transferee Company CCDs, on the same terms and conditions as are applicable to the Transferee Company CCDs, provided however that, in the event, any Transferee Company CCDs are held by the Resulting Company 2, no compulsorily convertible debentures shall be issued and allotted by the Resulting Company 2 to itself. Further, upon such issuance and allotment of compulsorily convertible debentures by the Resulting Company 2 to the holders of the Transferee Company CCDs (other than the Resulting Company 2), the Demerged Company 2/Transferee Company shall without any further act, instrument or deed, cancel and extinguish all the Transferee Company CCDs issued by the Demerged Company 2/Transferee Company to the holders of the Transferee Company CCDs (including Resulting Company 2).

On the approval of Section III of the Scheme by the members of the Demerged Company 2/Transferee Company and the Resulting Company 2 pursuant to Section 391-394 of the 1956 Act and/or the relevant provisions of the Act, if applicable, it shall be deemed that the said members have also accorded their consent under Sections 42, 62(1)(c) and 71 of the 2013 Act and/or any other applicable provisions of the Act and rules and regulations framed thereunder as may be applicable for the issuance, if any, of compulsorily convertible debentures of the Resulting Company 2 to the holders of the Transferee Company CCDs and for the cancellation and extinguishment, if any, of the Transferee Company CCDs by the Demerged Company 2/Transferee Company, each in accordance with Clause 8.1 above, and no further resolution or actions shall be required to be undertaken by the Resulting Company 2 and/or the Demerged Company 2/Transferee Company under Sections 42, 62(1)(c) or 71 of the 2013 Act or any other applicable provisions of the Act and rules and regulations framed thereunder, including, *inter alia*, issue of a letter of offer.



## SECTION IV

### GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

#### 1.1 DEFINITIONS

The terms used in this Section IV of the Scheme, shall respectively have the meanings ascribed to them in Section I, Section II or Section III of this Scheme, as the context may require.

#### 1.2 APPLICATION TO THE HIGH COURT

Each of the Demerged Company 1/ Resulting Company 2, the Demerged Company 2/ Transferee Company, the Resulting Company 1 and the Transferor Company shall make applications/petitions under Sections 391 - 394, as applicable and other applicable provisions of the Act to the Court for the sanction of this Scheme and all matters ancillary or incidental thereto. For the purpose of effecting the reduction in: (i) issued and paid-up equity share capital and securities premium (if required) of the Resulting Company 1; (ii) capital redemption reserve and the securities premium account (if required) of the Demerged Company 1; (iii) the securities premium account (if required) of the Transferee Company; (iv) the capital redemption reserve (if required) and the securities premium account (if required) of the Resulting Company 2; and (v) the issued and paid-up equity share capital and the securities premium account (if required) of the Demerged Company 2, separate application under Section 100 - 103 of the 1956 Act and/ or any other applicable provisions of the Act, rules and the regulations framed thereunder shall be filed by the Resulting Company 1, the Demerged Company 1, Transferee Company, Resulting Company 2 and Demerged Company 2 respectively, before the Court.

#### 1.3 EFFECTIVENESS OF THE SCHEME

Upon the sanction of the Scheme and after the Scheme has become effective upon completion of the conditions listed in Clause 1.5 of this Section IV:

- (a) with effect from the Demerger Appointed Date 1, the demerger of the Demerged Undertaking 1 of the Demerged Company 1 and the vesting of the same in the Resulting Company 1 shall be deemed to have occurred, pursuant to Section I of this Scheme, in accordance with Section 2 (19AA) of the IT Act;
- (b) reduction of the issued and paid-up equity share capital and securities premium account (if required) of the Resulting Company 1 shall be deemed to have occurred, pursuant to Section I of this Scheme, in accordance with Clause 5 of Section I of the Scheme.
- (c) reduction of the capital redemption reserve, capital reserve (if required) and the securities premium account (if required) of the Demerged Company 1 shall be deemed to have occurred, pursuant to Section I of this Scheme, in accordance with Clause 5 of Section I of the Scheme.
- (d) with effect from the Amalgamation Appointed Date, the amalgamation of the Transferee Company with the Transferee Company shall be deemed to have occurred pursuant to Section II of this Scheme, in accordance with Section 2 (1B) of the IT Act; and
- (e) the reduction of the capital reserve (if required) and the securities premium account (if required), of the Transferee Company shall be deemed to have occurred, pursuant to Section II of this Scheme, in accordance with Clause 5 of Section II of the Scheme.



- (f) with effect from the Demerger Appointed Date 2, the demerger of the Demerged Undertaking 2 of the Demerged Company 2 and the vesting of the same in the Resulting Company 2 shall be deemed to have occurred, pursuant to Section III of this Scheme, in accordance with Section 2 (19AA) of the IT Act;
- (g) the reduction of the capital redemption reserve (if required), capital reserve (if required) and the securities premium account (if required) of the Resulting Company 2 shall be deemed to have occurred, pursuant to Section III of this Scheme, in accordance with Clause 5 of Section III of the Scheme;
- (h) the reduction of the issued and paid-up equity share capital, capital reserve (if required) and the securities premium account (if required) of the Demerged Company 2 shall be deemed to have occurred, pursuant to Section III of this Scheme, in accordance with Clause 5 of Section III of the Scheme.

#### 1.4 MODIFICATIONS/AMENDMENTS TO THE SCHEME

##### (a) Modification of Section I of the Scheme

Each of the Demerged Company 1 and the Resulting Company 1, through their respective boards of directors (which shall include any committee constituted by the respective boards), may assent to any modifications/amendments to Section I of the Scheme and/ or the relevant provisions of Section IV of the Scheme and/ or to any conditions or limitations that the Court and/ or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. Each of the Demerged Company 1 and the Resulting Company 1, through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any directive or orders of any authority or otherwise, howsoever arising out of or under or by virtue of Section I of the Scheme and/ or any matter concerned or connected therewith.

##### (b) Modification of Section II of the Scheme

Each of the Transferor Company and the Transferee Company, through their respective boards of directors (which shall include any committee constituted by the respective boards), may assent to any modifications/amendments to Section II of the Scheme and/ or the relevant provisions of Section IV of the Scheme and/ or to any conditions or limitations that the Court and/ or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. Each of the Transferor Company and the Transferee Company, through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any directive or orders of any authority or otherwise, howsoever arising out of or under or by virtue of Section II of the Scheme and/ or any matter concerned or connected therewith.

##### (c) Modification of Section III of the Scheme

Each of the Demerged Company 2 and the Resulting Company 2, through their respective boards of directors (which shall include any committee constituted by the respective boards), may assent to any modifications/amendments to Section III of the Scheme and/ or the relevant provisions of Section IV of the Scheme and/ or to any conditions or limitations

that the Court and/ or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. Each of the Demerged Company 2 and the Resulting Company 2, through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reason of any directive or orders of any authority or otherwise, howsoever arising out of or under or by virtue of Section III of the Scheme and/or any matter concerned or connected therewith.

## 1.5 CONDITIONALITY OF THE SCHEME

- (a) Section I of this Scheme is and shall be conditional upon and subject to (i) being approved by the requisite majorities in number and value of such classes of persons including the respective members and secured and unsecured creditors of each of the Demerged Company 1 and the Resulting Company 1, as may be directed by the Court or any other competent authority, as may be applicable; and (ii) being approved by the Securities and Exchange Board of India and the Stock Exchanges, as required under applicable laws.
- (b) Section II of this Scheme is and shall be conditional upon and subject to being approved by the requisite majorities in number and value of such classes of persons including the respective members and secured and unsecured creditors of each of the Transferor Company and the Transferee Company, as may be directed by the Court or any other competent authority, as may be applicable; and (ii) being approved by the Securities and Exchange Board of India and the Stock Exchanges, as required under applicable laws.
- (c) Section III of this Scheme is and shall be conditional upon and subject to being approved by the requisite majorities in number and value of such classes of persons including the respective members and secured and unsecured creditors of each of the Demerged Company 2 and the Resulting Company 2, as may be directed by the Court or any other competent authority, as may be applicable; and (ii) being approved by the Securities and Exchange Board of India and the Stock Exchanges, as required under applicable laws.
- (d) The Scheme being sanctioned by the Court under Sections 391-394 read with Sections 100 - 103 of the 1956 Act and any other applicable provision of the Act.
- (e) Certified copies of the orders of the Court sanctioning this Scheme being filed with the RoC by the respective companies.

## 1.6 EFFECT OF NON-RECEIPT OF APPROVALS

- 1.6.1 In the event of Section I, Section II or Section III, or any part thereof, of the Scheme not being sanctioned by the Court or such other competent authority, the part not sanctioned shall stand revoked, cancelled and be of no effect, save and except in respect of any further act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided for in the Scheme or as may otherwise arise in law.
- 1.6.2 The board of directors of the Demerged Company 1/ Resulting Company 2, the Resulting Company 1, the Demerged Company 2/Transferee Company and the Transferor Company, respectively shall be entitled to revoke, cancel and declare the Scheme or any part thereof of no effect and/or to withdraw the Scheme or any part thereof and respective applications/petitions filed with the Court if such boards are of view that the coming into effect of the Scheme or of any part thereof, in terms



of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on all/any of the companies or in case any condition or alteration imposed by the Court or any other authority is not on terms acceptable to them.

- 1.6.3 If any provision of this Scheme is ruled invalid or illegal by the Court, or unenforceable under present or future laws, then it is the intention of the parties to this Scheme that such portion shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such portion shall cause this Scheme to become materially adverse to any party, in which case the parties, through their respective board of directors may either decide to revoke the Scheme or may 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 portion.

#### 1.7 COSTS, CHARGES AND EXPENSES

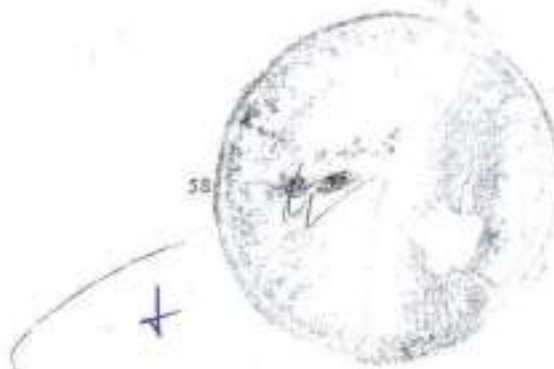
Each of the Demerged Company 1/Resulting Company 2, the Resulting Company 1, the Transferor Company and the Demerged Company 2/Transferee Company, shall bear all their respective costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto.

#### 1.8 FILING / AMENDMENT OF RETURNS

Each of the Demerged Company 1/Resulting Company 2, the Resulting Company 1, the Transferor Company and the Demerged Company 2/ Transferee Company, are expressly permitted to file/revise their income tax, wealth tax, service tax, value added tax, withholding tax and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such returns may have lapsed. Each of the Demerged Company 1/ Resulting Company 2, the Resulting Company 1, the Transferor Company and the Demerged Company 2/Transferee Company, are expressly permitted to amend tax deduction at source and other statutory certificates and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes/transactions from the Demerger Appointed Date 1 or the Demerger Appointed Date 2 or the Amalgamation Appointed Date, as the case may be.

#### 1.9 REPEAL AND SAVINGS

Any act done or direction or order given by the Court under the provisions of the 1956 Act and any further act done by each of the Demerged Company 1/ Resulting Company 2, the Resulting Company 1, the Demerged Company 2/Transferee Company and the Transferor Company, respectively based on such directions or order shall be deemed to be in accordance with and consistent with the provisions of the 2013 Act. Accordingly, the provisions of the 2013 Act, shall not apply to acts done by the Demerged Company 1/ Resulting Company 2, the Resulting Company 1, the Demerged Company 2/Transferee Company and the Transferor Company or as per direction or order of the Court sanctioning the Scheme under the 1956 Act.





**SCHEDULE 1**  
**DESCRIPTION OF TRANSFEROR COMPANY**

Sr. No	Particulars	Make/ Size /Acquisition Date	Registration No.	Period	Remarks
A)	<b>Tangible Assets:-</b>				
	<i>Leasehold Land</i>	25/09/07	Sub-Lease of Premises No.2, 7/1 and 8, Rustomji Parsee Road and No.35, Cossipore Road, Kolkata.	30 Years	East Bengal River Steam Service & Engineering Works Workers Co-operative Ind. Society Ltd
	<i>Freehold Land</i>	<b>Details in Annexure on Land Details</b>			Dahej ( Gujarat)
	<i>Plant and Equipment:-</i>	2010			Kolkata
	40 KVA DG Set				
	250 KVA DG Set				
	EASAB make MIG/MAG Welding Package Model: Auto K400				
	Two Articulated Hydraulic Crane				
	Two Wire Rope Sling Machine				
	Main Selector Cum Distribution Control panel				
	SDB - Electric panel				
	32 Amps. TPN metal clad Power Plug				
	MCB distribution Board 4 way purchased				
	32 Amps. Metal Clad Power Plug with socket				
	20 Amps. SDN Metal clad power plug				
	L&T Make Welding Machine purchased				
	Main Selector cum Distribution Control Panel				
	Capacitor Panel				
	2.5 ton Capacity Manual Capstan				
	Three Welding Machine Zuper				
	Weiding Gauge				
	Elcometer 456				
	Digital Surface Profile Gauge				
	Inspection Mirror				
	Welding Package				
	Electric Bilge/fire pump				
	Electric Bilge Collecting pump				
	Self Priming Fresh Water Pump				
	Emergency Fire Pump				



	Tubular Scaffolding System			
	Hydraulic Jack 50 Ton			
	Hydraulic Guillotine Shearing Machine			
	Diesel Generating Set 63 KVA			
	Stern Anchor Hinge Holding			
	Esab Make Line Cutting Machine with track			
	Angular Grinding Machine			
	Electric Drill Machine with Chain Pulley Block			
	Dial Gauge			
	Magnetic Stand			
	Six Sintex Water Tank of 5000 litres each			
	Chain Pulley Block			
	Welding Machine Auto K 400			
	Furniture and Fixtures	2010		Various Locations
	Vehicles (TATA MOBILE 207)	2009	WB-03C-1648	Farraka
	Computer	2010		Kolkata
	Office equipment:-	2009/2010/2011		Kolkata
	Air conditioner			
	Air conditioner		LG Split A.C.	
	DIGI Cam-Radio			
	Digicam		Sony W530	
B)	Intangible Assets			
	Computer Software	2010		Kolkata
C)	Long term loan and advances:-			
	Jindal ITF Limited	2013-14		
	Jindal Saw Limited (Resulting Company 2)	2014-15; 2015-16		
D)		Current assets including current investments, inventory, trade receivables, cash and bank balances, short-term loans and advances and other current assets		
E)	Long-term borrowings (Transferor Company CCDs):-			
	IFCI Limited	2015-16		

Jindal Saw Limited (Resulting Company 2)	2015-16			
F)	Current liabilities including short term borrowings, trade payables, other current liabilities and short - term provisions			

**Annexure  
Land Details**

Sr. No.	Survey No.	Location		
			Area SQM	Area Acres
1.	763	Dahej, Gujarat	6070	1.50
2.	601/1	Dahej, Gujarat	6780	1.68
3.	638	Dahej, Gujarat	18818	4.65
4.	728	Dahej, Gujarat	5868	1.45
5.	752	Dahej, Gujarat	14670	3.62
6.	86 A+B	Dahej, Gujarat	45113	11.15
7.	27	Dahej, Gujarat	7487	1.85
8.	5	Dahej, Gujarat	4654	1.15
9.	16	Dahej, Gujarat	9510	2.35
10.	97	Dahej, Gujarat	38142	9.42
11.	75	Dahej, Gujarat	13254	3.28
12.	76	Dahej, Gujarat	12849	3.17
13.	9	Dahej, Gujarat	23371	5.77
14.	19	Dahej, Gujarat	5969	1.47
15.	78/1	Dahej, Gujarat	8802	2.17
16.	6	Dahej, Gujarat	6171	1.52
17.	172	Dahej, Gujarat	5766	1.42
18.	155	Dahej, Gujarat	2226	0.55
19.	54/2	Dahej, Gujarat	6880	1.70
20.	85	Dahej, Gujarat	26102	6.45
21.	193	Dahej, Gujarat	23959	5.92
22.	46	Dahej, Gujarat	1315	0.32
23.	68	Dahej, Gujarat	21550	5.32
24.	43	Dahej, Gujarat	5261	1.30
25.	180	Dahej, Gujarat	1315	0.32
26.	161/1	Dahej, Gujarat	15411	3.81
27.	1	Dahej, Gujarat	36725	9.07
28.	72-A	Dahej, Gujarat	56675	14.00



29.	192 A+B	Dahej, Gujarat	41147	10.17
30.	81	Dahej, Gujarat	8498	2.10
31.	31	Dahej, Gujarat	36928	9.12
32.	38 A-B	Dahej, Gujarat	8347	2.06
33.	83 A-B	Dahej, Gujarat	81342	20.10
34.	51	Dahej, Gujarat	8296	2.05
35.	17	Dahej, Gujarat	11938	2.95
36.	41	Dahej, Gujarat	3339	0.83
37.	44	Dahej, Gujarat	2833	0.70
38.	42	Dahej, Gujarat	2833	0.70
39.	45	Dahej, Gujarat	1214	0.30
40.	182	Dahej, Gujarat	1012	0.25
41.	48	Dahej, Gujarat	3743	0.92
42.	179	Dahej, Gujarat	1518	0.38
43.	47	Dahej, Gujarat	2732	0.68
44.	178	Dahej, Gujarat	5160	1.28
45.	181	Dahej, Gujarat	911	0.23
46.	176	Dahej, Gujarat	1315	0.32
47.	177	Dahej, Gujarat	1012	0.25
48.	63	Dahej, Gujarat	6981	1.72
49.	73 A	Dahej, Gujarat	3043	0.75
50.	78/2	Dahej, Gujarat	8802	2.17
51.	91	Dahej, Gujarat	9713	2.40
52.	93	Dahej, Gujarat	5059	1.25
53.	15	Dahej, Gujarat	8797	2.17
54.	14	Dahej, Gujarat	6779	1.68

55.	49	Dahej, Gujarat	6475	1.60
56.	60	Dahej, Gujarat	6576	1.62
57.	171	Dahej, Gujarat	10320	2.55
58.	6	Dahej, Gujarat	6171	1.52
59.	154	Dahej, Gujarat	8296	2.05



**SCHEDULE 2**  
**DESCRIPTION OF DEMERGED UNDERTAKING 2**  
**(AFTER GIVING EFFECT TO SECTION II)**

Sr. No.	Particulars	Make	IMO No	Gross Tonnage	Remarks
A)	<b>Tangible Assets:-</b>				
	Jindal Kamakshi	2008	9528419	7460	Indian Flag Ship
	Jindal Meevakshi	2009	9528407	7460	Indian Flag Ship
	Jindal Tarini	2005	9318400	4123	Panama Flag Ship
	Jindal Varuna	2007	9411458	4422	Panama Flag Ship
	Containers	2008/09/12/13			Various Locations
	Computers	2008/09/11/14			Various Locations
B)	<b>Intangible Assets:-</b>				
	Computer Software				Various Locations
C)	<b>Long term loans and advances:-</b>				
	Capital advances				
	Security deposits				
	Advance to JIFF Shipping & Logistics (Singapore) Pte Ltd.				
D)	<b>Current assets including movable assets, current investments, inventory, trade receivables, cash and bank balances, short term loans and advances and other current assets</b>				
E)	<b>Long-term borrowings:-</b>				
	ICICI Bank Limited				
	IFCI Limited (Transferee Company CCDs)				
	Jindal Saw Limited (Transferee Company CCDs)				
	Hexa Tradex Limited				
	Provision for premium on redemption of Transferee Company CCDs				
F)	<b>Current liabilities including short term borrowings, trade payables and other current liabilities and short term provisions</b>				

Dated this 1<sup>st</sup> day of August, 2016.

(By the court)

Compared by  
ACW  
02/08/16

TRUE COPY  
MAF 02/08/2016  
Assistant Registrar  
Copying 'D' Department  
High Court, Allahabad

1.8.16  
Registrar General

27-7-16  
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27-7-2016  
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27-7-16  
S.O.



**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**(Incorporated under the Companies Act, 1956)**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**JINDAL SAW LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to Members' resolution passed at the Annual General Meeting of the Company held on 18th September, 2015 in substitution for, and to the entire exclusion of, the earlier Regulations comprised in the extant Articles of Association of the Company.

**TABLE 'F' EXCLUDED**

- |    |     |  |  |
|----|-----|--|--|
| 1. | (1) | The Regulations contained in the Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.  | Table 'F' not to apply                   |
|    | (2) | The regulations for the management of the Company and for the observance by the Members thereto and their Representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. | Company to be governed by these Articles |

**INTERPRETATION**

- |    |     |   |                                 |
|----|-----|---|---------------------------------|
| 2. | (1) | In these Articles   |                                 |
|    | (a) | "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable Section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company Law, so far as maybe applicable. | "Act"                           |
|    | (b) | "Articles" means these articles of association of the Company or as altered from time to time.  | "Articles"                      |
|    | (c) | "Board of Directors" or "Board", means the collective body of the Directors of the Company.   | "Board of Directors" or "Board" |
|    | (d) | "Beneficial Owner" shall have the meaning assigned thereto in Section 2(1)(a) of the Depositories Act, 1996.  | "Beneficial Owner"              |
|    | (e) | "Company" means Jindal Saw Limited.   | Company                         |

(f)	"Debenture" includes debenture stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not.	"Debentures"
(g)	"Dematerialisation" is the process by which Shareholder / Debenture holder can get physical share / debenture certificates converted into electronic balances in his account maintained with the participant of a Depository.	"Dematerialisation"
(h)	"Depositories Act" means Depositories Act, 1996 or any statutory modification or re-modification thereof.	"Depositories Act"
(I)	"Depository" shall mean a Depository as defined in the Depositories Act, 1996.	"Depository"
(j)	"Director" means a Director appointed to the Board of a Company.	"Director"
(k)	"Dividend" includes any interim dividend.	"Dividend"
(l)	"Financial Statement" in relation to a Company shall have the meaning assigned thereto by Section 2(40) of the Companies Act, 2013 or any amendment thereof.	"Financial Statement"
(m)	"Financial Year" in relation to any Company or Body Corporate shall have the meaning assigned thereto by Section 2(41) of the Companies Act, 2013.	"Financial Year"
(n)	"Independent Director" means an Independent Director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.	"Independent Director"
(o)	"Meeting" or "General Meeting" means a meeting of members.	"Meeting" or "General Meeting"
(p)	"Month" means calendar month.	Month
(q)	"Office" means the Registered Office for the time being of the Company.	"Office"
(r)	"Paid-up Share Capital" or "Share Capital Paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.	Paid-up Share Capital
(s)	"Registrar" shall mean the Registrar of Companies of the State in which the Registered Office of the Company is situated.	"Registrar"
(t)	"Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.	"Rules"
(u)	"Seal" means the Common Seal for the time being of the Company.	Seal

(v) "Shares" shall mean the issued, subscribed and paid up shares of the Company including any shares issued as bonus share, or shares issued under any re-classification, reorganization, exchange, recapitalization or otherwise and includes stock.	"Shares"
(w) "Written and in writing" shall include printing, lithography or part printing and part lithography and any other mode or modes or representing of producing words in visible form.	"Written and in writing"
(x) "Year" shall mean a calendar year.	"Year"
(2) The marginal notes used in these Articles shall not effect the constitution hereof.	"Marginal Notes"
(3) The words importing singular number where the context admits or require shall include the plural number and vice versa.	"Singular Number"
(4) Words importing the masculine gender shall include the feminine gender.	"Gender"
(5) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.	Expressions in the Articles to bear the same meaning as in the Act

#### SHARE CAPITAL AND VARIATION OF RIGHTS

3. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause V of Memorandum of Association with power to increase or reduce the Capital in accordance with the Company's Regulations and legislative provisions for the time being in force on that behalf with the power to divide the share Capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and condition in such manner as may for the time being be provided by the Regulation of the Company and allowed by Law.	Authorised Share Capital
4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.	Shares under control of Board
5. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the Capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.	Directors may allot shares otherwise than for cash



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| 6.  | The Company may issue the following kinds of Shares in accordance with these Articles, the Act, the Rules and other applicable laws:   | Kinds of Share Capital   |
|     | <p>(a) Equity Share Capital:</p> <p>(i) with voting rights; and / or</p> <p>(ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and</p> <p>(b) Preference Share Capital</p>  |  |
| 7.  | <p>(1) Every person whose name is entered as a Member in the Register of Members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the Application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide -</p> <p>(a) one certificate for all his shares without payment of any charges; or</p> <p>(b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board or any Committee thereof for each certificate after the first.</p> <p>(2) Every Certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>(3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than One Certificate, and delivery of a Certificate for a share to one of several Joint holders shall be sufficient delivery to all such holders.</p> | <p>Issue of Certificate</p> <p>Certificate to bear seal</p> <p>One Certificate for Shares held jointly</p> |
| 8.  | If any Share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate maybe issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board or any Committee thereof deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board or any Committee thereof.   | Issue of new Certificate in place of one defaced, lost or destroyed  |
| 9.  | The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of Certificates for any other Securities including Debentures (except where the Act otherwise requires) of the Company.   | Provisions as to issue of certificates to apply mutatis mutandis to Debentures etc.                        |
| 10. | (1) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that   | Power to pay commission in connection with   |

	the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.	securities issued
	(2) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.	Rate of commission in accordance with Rules
	(3) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	Mode of payment of commission
	(4) The Company may also pay a reasonable and lawful sum of brokerage or fee in lieu of brokerage.	Brokerage
11.	(1) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.	Variation of Members' rights
	(2) To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.	Provisions as to general meetings to apply mutatis mutandis to each meeting
12.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking paripassu therewith.	Issue of further shares not to affect rights of existing members
13.	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.	Power to issue redeemable preference shares
14.	(1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to -	Further issue of share capital
	(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or	
	(b) employees under any scheme of employees' stock option; or	
	(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.	

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| <p>(2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.</p> | <p>Mode of further issue of shares</p> |
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### DEMATERIALIZATION OF SECURITIES

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| <p>15. (1) Notwithstanding anything to the contrary contained in the Act or in these Articles, the Board may at any time decide to permit holding of and dealing in any or all the shares or debentures or other securities of the Company (hereinafter referred to as "securities") in dematerialized form under the provisions of the Depositories Act and may offer the securities of the Company for subscription/allotment in dematerialized form in the manner provided by the said Act.</p>     | <p>Authority to dematerialize securities.</p>                       |
| <p>(2) When any securities of the Company are held or dealt in dematerialized form:</p>  |   |
| <p>(a) Every person holding any securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the form of certificates or to hold the same with a depository.</p>   | <p>Option to hold securities in certificates or with Depository</p> |
| <p>(b) All securities held with a Depository shall be dematerialized and the depository shall hold the same for the beneficial owners thereof in a fungible form.</p>  | <p>Securities with depository to be dematerialized.</p>             |
| <p>(c) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities held by him in a depository.</p>  | <p>Beneficial owner is Member</p>                                   |
| <p>(d) Every person holding securities of the Company with depository, being the beneficial owner thereof may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and in exercise of such option and on fulfillment of the conditions and payment of the fees prescribed under the said Act the Company shall rematerialise the relevant securities and issue to the beneficial owner thereof the requisite certificates of such securities.</p> | <p>Beneficial owner may opt out of a Depository</p>                 |
| <p>(3) (a) The Company shall make available to the depository, copies of the relevant records in respect of securities held by such depository for the beneficial owners thereof.</p>  | <p>Intimation to Depository</p>                                     |
| <p>(b) When a holder or an allottee of the securities opts to hold the same with a depository, the Company shall intimate such depository the details of his holdings or allotment of securities and thereupon the depository shall enter in its records the names of the holders/allottees as the beneficial owners of such securities.</p>   |   |



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| <p>(4) The Register and Index of Beneficial Owners of Securities maintained by a depository under Section 11 of the Depositories Act shall be deemed to be and forming part of the Register and Index of Members or holders of Debentures or other securities of the Company.</p>  | <p>Register and Index of Beneficial Owners</p>     |
| <p>(5) Transfer of securities held in a depository will be governed by the provisions of the Depositories Act.</p> <p>(a) Every depository shall furnish to the Company information about the transfer of securities, the names of Beneficial Owners at such intervals and in such manner as may be specified under the provisions of the Depositories Act.</p> <p>(b) Provisions of the Act shall not apply to transfer of securities affected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of a Depository.</p> | <p>Transfer of Securities held in a Depository</p> |
| <p>(6) Every Member, or his heirs Executors or Administrators, shall pay to the Company the portion of the Capital represented by the shares or debentures which may, for the time being, remain unpaid thereon, in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Company's regulations, require or fix for the payment thereof.</p>   | <p>Liability of Members</p>                        |

#### NOMINATION INTER VIVOS

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| <p>16. (1) Every holder of securities of the Company may at any time nominate in the manner prescribed under the Act, a person to whom his securities, the Company shall vest in the event of death of such holder.</p> <p>(2) Where the securities of the Company are held by more than one person jointly, the joint holder may together nominate in the prescribed manner, a person to whom all rights in the securities of the Company as the case may be, held by them shall vest in the event of death of all joint holders.</p> <p>(3) Notwithstanding anything contained in any other law for the time being in force or in any disposition whether testamentary or otherwise, or in these articles, in respect of such securities of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the securities of the Company, the nominee shall, on the death of the holder, or as the case may be, on the death of joint holders of securities become entitled to all the rights of the deceased holder or as the case may be, of all deceased joint holders in such securities to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the provisions of the Act.</p> <p>(4) Where the nominee is a minor it shall be lawful for the holder of the securities to make the nomination to appoint in the manner prescribed under the provisions of the Act, any person to</p> | <p>Nomination</p> |
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become entitled to securities of the Company, in the event of his death during minority.

- (5) The provisions of this Article shall apply mutatis mutandis to a Depositor of money with the Company as per the provisions of the Act.
- (6) Any person who becomes a nominee by virtue of the provisions this Article may in the manner prescribed under the Act, upon production of such evidence as may be required by the Board and subject as hereinafter provided shall elect either :
  - (a) To be registered himself as holder of the securities, as the case may be; or
  - (b) To make such transfer of the securities, as the case may be, as the deceased security holder, could have made.

Transmission in the name of Nominee

## LIEN

17. (1) The Company shall have a first and paramount lien-
  - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

Company's lien on shares

- (2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
- (3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

Lien to extend to dividends etc.

Waiver of lien in case of registration

18. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

As to enforcing lien by sale

Provided that no sale shall be made-

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

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| 19. (1) | To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.  | Validity of sale   |
| (2)     | The Purchaser shall be registered as the holder of the shares comprised in any such transfer.   | Purchaser to be Registered holder                                  |
| (3)     | The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.  | Validity of Company's receipt                                      |
| (4)     | The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.  | Purchaser not affected   |
| 20. (1) | The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.  | Application of proceeds of sale                                    |
| (2)     | The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.   | Payment of residual money  |
| 21.     | In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim. | Outsider's lien not to affect Company's lien                       |
| 22.     | The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.   | Provisions as to lien to apply mutatis mutandis to debentures etc. |

### CALLS ON SHARES

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| 23. (1) | The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. | Board may make calls              |
| (2)     | Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.  | Notice of call                    |
| (3)     | The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any  | Board may extend time for payment |



circumstances.

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| (4) | A call may be revoked or postponed at the discretion of the Board.   | Revocation or postponement of call                   |
| 24. | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.  | Call to take effect from date of Resolution.         |
| 25. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.  | Liability of joint holders of Shares                 |
| 26. | (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest there on from the due date to the time of actual payment at such rate as may be fixed by the Board or any Committee thereof.   | When interest on call or installment payable         |
|     | (2) The Board or any Committee thereof shall be at liberty to waive payment of any such interest wholly or in part.  | Board may waive interest                             |
| 27. | (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.  | Sums deemed to be calls                              |
|     | (2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.  | Effect of non-payment of sums                        |
| 28. | The Board -  | Payment in anticipation of calls may carry interest. |
|     | (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and   |  |
|     | (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him. |  |
| 29. | If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installments shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased Registered holder.   | Installments on shares to be duly paid               |
| 30. | All calls shall be made on a uniform basis on all shares falling under the same class.   | Calls on shares of same class to be on               |

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

uniform basis

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| 31. | Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. | Partial payment not to preclude forfeiture                           |
| 32. | The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.  | Provisions as to calls to apply mutatis mutandis to debentures, etc. |

### TRANSFER OF SHARES

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| 33. | <p>(1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the Transferor and Transferee.</p> <p>(2) The Transferor shall be deemed to remain a holder of the share until the name of the Transferee is entered in the Register of Members in respect thereof.</p>  | Instrument of transfer to be executed by Transferor and Transferee |
| 34. | <p>The Board may, subject to the right of appeal conferred by the Act decline to register -</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(b) any transfer of shares on which the Company has a lien.</p>  | Board may refuse to register transfer                              |
| 35. | <p>In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless -</p> <p>(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;</p> <p>(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p> <p>(c) the instrument of transfer is in respect of only one class of shares.</p> | Board may decline to recognize instrument of transfer.             |
| 36. | <p>On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p>  | Transfer of Shares when suspended                                  |

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the

aggregate in any year.

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| 37. | The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company. | Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc. |
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### TRANSMISSION OF SHARES

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| 38. | <p>(1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>(2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>  | <p>Title to shares on death of a Member</p> <p>Estate of deceased Member liable</p>                                      |
| 39. | <p>(1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as herein after provided, elect, either -</p> <p style="margin-left: 40px;">(a) to be registered himself as holder of the share; or</p> <p style="margin-left: 40px;">(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p> <p>(3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.</p> | <p>Transmission Clause</p> <p>Board's right unaffected</p> <p>Indemnity to the Company</p>                               |
| 40. | <p>(1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(3) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>   | <p>Right to election of holder of share</p> <p>Manner of testifying election</p> <p>Limitations applicable to notice</p> |
| 41. | A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the  | Claimant to be entitled to same advantage  |



registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

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| 42. The provisions of these Articles relating to Transmission by operation of law shall mutatis mutandis apply to any other Securities including Debentures of the Company. | Provisions as to transmission to apply mutatis mutandis to Debentures, etc. |
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### FORFEITURE OF SHARES

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| 43. If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment. | If call or installment not paid notice must be given                   |
| 44. The notice aforesaid shall:   | Form of Notice   |
| <p>(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p> <p>(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>  |  |
| 45. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.  | In default of payment of shares to be forfeited                        |
| 46. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.  | Receipt of part amount or grant of indulgence not to affect forfeiture |
| 47. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of  | Entry of forfeiture in Register of Members                             |

members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

48.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	Effect of Forfeiture
49.	(1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	Forfeited Shares may be sold, etc.
	(2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of forfeiture
50.	(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	Members still liable to pay money owing at the time of forfeiture
	(2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	Member still liable to pay money owing at time of forfeiture and interest
	(3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.	Cesser of liability
51.	(1) A duly verified declaration in writing that the Declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;	Certificate of forfeiture
	(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;	Title of purchaser and transferee of forfeiture shares
	(3) The Transferee shall thereupon be registered as the holder of the share; and	Transferee to be registered as holder
	(4) The Transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in	Transferee not affected

reference to the forfeiture, sale, re-allotment or disposal of the share.

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| 52. | Upon any sale after forfeiture or for enforcing a lien in exercise of the powers herein above given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.                           | Validity of sales   |
| 53. | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto. | Cancellation of share certificate in respect of forfeited shares.                   |
| 54. | The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.  | Surrender of Share Certificates   |
| 55. | The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.   | Sums deemed to be calls   |
| 56. | The provisions of these Articles relating to forfeiture of Shares shall mutatis mutandis apply to any other Securities including Debentures of the Company.  | Provisions as to forfeiture of Shares to apply mutatis mutandis to Debentures, etc. |

### ALTERATION OF CAPITAL

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| 57. | Subject to the provisions of the Act, the Company may, by ordinary resolution -   | Power to alter Share Capital |
| (a) | increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;  |                              |
| (b) | consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:   |                              |
|     | Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; |                              |
| (c) | convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;                          |                              |
| (d) | sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;  |                              |



- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

58. Where shares are converted into stock:

Shares may be converted into stock

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
- (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stockholder" respectively.

Right of Stockholders

59. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules -
- (a) its share capital; and/or
  - (b) any capital redemption reserve account; and/or
  - (c) any securities premium account; and/or
  - (d) any other reserve in the nature of share capital.

Reduction of Capital

### JOINT HOLDERS

60. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

Joint-holders

- (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.
- (b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to

Liability of Joint holders

Death of one or more joint-holders

release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

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| (c) | Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.   | Receipt of one sufficient  |
| (d) | Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.  | Delivery of Certificate and giving of notice to first named holder                         |
| (e) | <p>(i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.</p> | <p>Vote of Joint-holders</p> <p>Executors or Administrators as Joint holders</p>           |
| (f) | The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.  | Provisions as to Joint holders as to Shares to apply mutatis mutandis to Debentures etc. . |

### **BUY-BACK OF SHARES**

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| 61. | Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own Shares or other specified securities. | Buy-back of Shares |
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### **GENERAL MEETINGS**

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| 62. | <p>(1) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year in accordance with the provisions of the Act.</p> <p>(2) All General Meetings other than Annual General Meeting shall be called an Extraordinary General Meeting.</p> | <p>Annual General Meeting</p> <p>Extraordinary General Meeting</p> |
| 63. | The Board may, whenever it thinks fit, call an Extraordinary General Meeting and shall do so at the requisition of members made in accordance with the provisions of the Act.  | Powers of Board to call Extraordinary General Meeting              |
| 64. | (1) At least twenty one clear days notice either in writing or   | Notice of General  |

through electronic mode, specifying the place, date, day and hour of general Meeting with the Statement of the business to be transacted at the meeting shall be served on every Member in the manner provided by the Act. Provided that a General meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than Ninety Five percent of the Members entitled to vote at such Meeting.

Meeting

65. The accidental omission to give notice to or the non-receipt thereof by any Member shall not invalidate any proceeding of the Meeting.

Omission to give notice not to invalidate any proceeding of the Meeting.

### PROCEEDINGSAT GENERAL MEETINGS

66. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

Presence of Quorum

- (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.

Business confined to election of Chairperson whilst chair vacant

- (3) The quorum for a general meeting shall be as provided in the Act.

Quorum for General Meeting

67. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

Chairperson of the Meetings

68. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the Meeting, or is unwilling to act as Chairperson of the Meeting, the directors present shall elect one of their Members to be Chairperson of the Meeting.

Directors to elect a Chairperson

69. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the Meeting, the Members present shall, by poll or electronically, choose one of their Members to be Chairperson of the Meeting.

Members to elect a Chairperson

70. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

Casting vote of Chairperson at General Meeting

71. The provisions of the Act relating to poll shall apply with respect to any business to be transacted at the Meeting.

Poll for business transacted at the Meeting.

72. (1) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Act and the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that

Minutes of proceedings of meetings and resolutions passed by Postal Ballot



purpose with their pages consecutively numbered.

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| <p>(2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -</p> <p>(a) is, or could reasonably be regarded, as defamatory of any person; or</p> <p>(b) is irrelevant or immaterial to the proceedings; or</p> <p>(c) is detrimental to the interests of the Company.</p>   | <p>Certain matters not to be included in Minutes</p>    |
| <p>(3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.</p>   | <p>Discretion of Chairperson in relation to Minutes</p> |
| <p>(4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.</p>  | <p>Minutes to be evidence</p>                           |
| <p>73. (1) The Books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:</p> <p>(a) be kept at the registered office of the Company; and</p> <p>(b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.</p>   | <p>Inspection of minute books of General Meeting</p>    |
| <p>(2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:</p> <p>Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.</p> | <p>Members may obtain copy of minutes</p>               |
| <p>74. The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.</p>  | <p>Powers to arrange security at meetings</p>           |

#### ADJOURNMENT OF MEETING

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| <p>75. (1) The Chairperson may, <i>suomotu</i>, adjourn the meeting from time to time and from place to place.</p>  | <p>Chairperson may adjourn the meeting</p> |
| <p>(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> | <p>Business at adjourned meeting</p>       |

(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.	Notice of adjourned meeting
(4) Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Notice of adjourned meeting not required
<b>VOTING RIGHTS</b>	
76. Subject to any rights or restrictions for the time being attached to any class or classes of shares -	Entitlement to vote on show of hands and on poll
(a) on a show of hands, every member present in person shall have one vote; and	
(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up Equity Share Capital of the Company.	
77. A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.	Voting through electronic means
78. (1) In the case of Joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other Joint holders.	Vote of Joint Holders
(2) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.	
79. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	How Members non compos mentis and minor may vote
80. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members, etc.
81. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	Business may proceed pending poll
82. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.	Restriction on voting rights
83. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken,	Restriction on exercise of voting rights in other cases

or on any other ground not being a ground set out in the preceding Article. to be void

84. Any Member whose name is entered in the register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other Members of the same class. Equal rights of Members

### PROXY

85. (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf , for that meeting. Member may vote in person or otherwise
- (2) The instrument appointing a proxy and the Power-of Attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. Proxies when to be deposited
86. An instrument appointing a Proxy shall be in the form as prescribed in the Rules. Form of Proxy
87. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Proxy to be valid notwithstanding death of the principal.
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the Proxy is used.
88. A proxy may be appointed either for the purpose of a particular meeting specified in the instrument and adjournment thereof or it may be appointed for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting. Proxy either for specified meeting for a period

### BOARD OF DIRECTORS

89. Unless otherwise determined by the Company in General Meeting, the number of directors shall not be less than 3 (Three) and shall not be more than 15 (Fifteen). Board of Directors
90. At every Annual General Meeting of the Company one third of the Directors (excluding Independent Directors) for the time being as are liable to retire by rotation or if their number is not three or a multiple thereof the number nearest to one-third shall retire from office. Save as provided in the Act, a retiring Director shall be eligible for re-appointment. Retirement and rotation of Directors
91. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of Directors not liable to retire by rotation.



directors by rotation.

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| 92. | The same individual may, at the same time be appointed as the Chairperson as well as the Managing Director and/or Chief Executive Officer of the Company.   | Same person may be Chairperson and Managing Director / Chief Executive of the Company. |
| 93. | A Director shall not be required to hold any share qualification.   | Share Qualification  |
| 94. | Notwithstanding anything to the contrary contained in the Articles and subject to the provisions of the Act and the Rules made thereunder, so long as any moneys remaining owing by the Company to Financial Institutions, Banks, Insurance Companies, Mutual Funds(hereinafter referred to as "the Institutions"), Financing & leasing Companies, anybody corporate or any entity (whether Foreign or Indian) (hereinafter referred to as "the body corporate") out of loans granted by them to the Company so long as the Institutions /the body corporate continue to hold debentures in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Institutions /the body corporate on behalf of the Company remains outstanding, the Institutions/the body corporate shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non whole-time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any such person or persons in his or their place/s. At the option of the Institutions, such Nominee Directors shall not be required to hold any qualification share in the Company. Also at the option of the Institutions, such Nominee Directors shall be liable to retirement by rotation. Subject as aforesaid the Nominee Directors shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company. The Nominee Directors so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Institutions or so long as the Institutions hold securities in the Company as a result of direct subscription or private placement or as a result of conversion of loans/debentures or as a result of any underwriting obligation or so long as any guarantee given by the Institutions in respect of any financial obligation or commitment by the Company remains outstanding. The nominee Director so appointed in exercise of the said power shall ipso facto vacate his office immediately by the money owing by the Company to the Institutions is paid off or on the Institutions ceasing to hold securities in the Company. The Nominee Directors appointed under this Article shall be entitled to receive all notices of Board Meetings and of the meetings of the Committee(s) of which the Nominee Director is member, as also the minutes of such meetings. The Institutions shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Directors(s) sitting fees and expenses to which the other Directors of the Company are entitled. Any expenses that may be incurred by the Institutions or such Nominee Director(s) in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Institutions or, as the case may be, to such Nominee Director (s). | Power to appoint Nominee Directors   |

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| 95.  | If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power can exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares. | Debenture Directors   |
| 96.  | (1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.   | Appointment of Additional Directors                             |
|      | (2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.  | Duration of office of Additional Director                       |
| 97.  | (1) The Board may appoint an Alternate Director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.   | Appointment of Alternate Directors                              |
|      | (2) An Alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.   | Duration of office of Alternate Director                        |
|      | (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.   | Re-appointment provisions applicable to Original Director       |
| 98.  | (1) If the office of any director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.   | Appointment of Director to fill a casual vacancy                |
|      | (2) The Director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.  | Duration of office of Director appointed to fill casual vacancy |
| 99.  | The Company shall appoint such number of Independent Directors as per the requirement of the Act and the Rules made there under.  | Appointment of Independent Directors                            |
| 100. | The Company shall appoint Woman Director as per the requirement of the Act and the Rules made there under.  | Appointment of Woman Directors                                  |

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| <p>101. (1) Subject to the provisions of the Act and these Articles the Board shall have power to appoint from time to time any of its member as the Managing Director and/or Chief Executive Officer and/or Managing Directors or Whole-Time Directors of the Company upon such terms and conditions as the Board shall think fit.</p>   | <p>Managing Director and Whole-Time Directors</p>         |
| <p>(2) A Managing Director shall not while he continues to hold that office be subject to retirement by rotation in accordance with Article 90. If he ceases to hold the office of Director, he shall ipso facto and immediately cease to be Managing Director.</p>   | <p>Special position of Managing Director</p>              |
| <p>(3) Subject to the provisions of the Act in particular to the prohibitions and restrictions contained in the Act and Rules made thereunder, the Board may from time to time entrust to and confer upon a Managing Director/Whole time Director for the time being such of the powers exercisable under these presents by the Board as it may deem fit, and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit; and the Board may confer such powers either collaterally with or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.</p> | <p>Powers of Managing Director / Whole-time Directors</p> |
| <p>102. (1) Subject to the provisions of the Act, a Managing Director or a Director who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profit of the Company or partly by one way and partly by the other.</p>  | <p>Remuneration of Directors</p>                          |
| <p>(2) Subject to the provisions of the Act, Director who is neither in the whole time employment nor a Managing Director may be paid such remuneration as may be approved by the Board / General Meeting.</p>  |   |
| <p>(3) Subject to the provisions of the Act and the Rules made thereunder, the Company may pay sitting fee to a Director for attending Meetings of the Board or Committees thereof. The said fees shall be decided by the Board of Directors which shall not exceed the limit as provided in the Act.</p> <p style="margin-left: 40px;">Provided that for 'Independent Directors' and 'Woman Directors', the Sitting Fee shall not be less than the sitting fee payable to other Directors.</p>   | <p>Sitting Fees</p>                                       |
| <p>103. In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them:-</p> <p>(a) In attending and returning from meetings of the Board of Directors or any Committee thereof or general meetings of the Company.</p> <p>(b) In connection with the business of the Company.</p>   | <p>Reimbursement of actual expenses to Directors.</p>     |
| <p>104. All cheques, promissory notes, drafts, hund is, bills of exchange and</p>   | <p>Execution of</p>                                       |



other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in such manner as the Board shall from time to time by resolution determine.

Negotiable  
Instruments.

### PROCEEDINGS OF THE BOARD

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| 105. (1) | The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  | When meeting to be convened                          |
| (2)      | The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.  | Who may summon Board meeting                         |
| (3)      | The quorum for a Board meeting shall be as provided in the Act.  | Quorum for Board meetings                            |
| (4)      | The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law   | Participation at Board Meetings                      |
| 106. (1) | Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  | Questions at Board meeting how decided               |
| (2)      | In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.  | Casting vote of Chairperson at Board Meeting         |
| 107.     | The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose. | Directors not to act when number falls below minimum |
| 108. (1) | The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.   | Who to preside at meetings of the Board              |
| (2)      | If no such Chairperson is elected, or if at any Meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the Meeting, the Directors present may choose one of their number to be Chairperson of the Meeting.   | Directors to elect a Chairperson                     |
| 109. (1) | The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.   | Delegation of powers                                 |
| (2)      | Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.  | Committee to conform to Board Regulations            |
| (3)      | The participation of Directors in a meeting of the Committee   | Participation at                                     |

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| <p>may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.</p>   | <p>Committee meetings</p>   |
| <p>110. (1) A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.</p> <p>(2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the Meeting.</p>   | <p>Chairperson of Committee</p> <p>Who to preside at Meetings of Committee</p>  |
| <p>111. (1) A Committee may meet and adjourn as it thinks fit.</p> <p>(2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.</p> <p>(3) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.</p>  | <p>Committee to meet</p> <p>Questions at Committee meeting how decided</p> <p>Casting vote of Chair person at Committee meeting</p> |
| <p>112. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.</p> | <p>Acts of Board or Committee valid notwithstanding defect of appointment</p>   |
| <p>113. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.</p>   | <p>Passing of resolution by circulation</p>   |

### **BORROWING POWERS**

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| <p>114. Subject to the provisions of the Act, the Board may from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums or money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate of the paid up capital of the Company and its free reserves (reserves not set apart for any specific purposes) without the consent of the Company in General Meeting.</p> | <p>Power to borrow</p>         |
| <p>115. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in</p>  | <p>Payment or repayment of</p> |

all respect as the Board may think fit and in particular by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its capital for the time being and debenture, debentures stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

moneys borrowed

116. Any debentures, debenture stock or other debt securities may be issued at a discount, premium or otherwise and subject to the provisions of the Act may be issued on condition that they shall be convertible into shares of any denomination and with any privileges or conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings appointment of Directors and otherwise debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.

Terms of issue of debentures

### POWERS OF BOARD

117. The Management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject never the less to the provisions of the Act and other laws and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

General powers of the Company vested in Board

118. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, powers:-

Certain power of Board

- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- (2) To pay and charge to the capital account of the Company and commission or interest lawfully payable thereon under the provisions of the Act and the Rules made thereunder.
- (3) Subject to provisions of the Act to purchase or otherwise acquire for the Company any property, rights or services privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.



- (4) At their discretion and subject to the provisions of the Act, to apply for any property, rights or privileges acquired by or rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (5) To secure the fulfillment of any contracts or arrangements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company and property belonging to the Company in which it is interested, or for any other purposes, and to execute and do all such deeds and thing as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
- (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company, or its officer, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration(s), and observe and perform any awards made thereon.
- (9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company) or without security and in such manner they may deem fit, and from time to time to vary or realize such investments, save as provided in the Act, all investments shall be made and held in the Company's own name.
- (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur any personal liability whether as principal or surety for the benefit of the Company such mortgages, on the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and agreements as shall be agreed upon.

- (13) To determine from time to time who shall be entitled to sign, on the Company's behalf, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.
- (14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as part of the working expenses of the Company.
- (15) To invite, accept and renew Public Deposits and other related matters and review any changes with terms and conditions thereof.
- (16) To appoint Internal, Secretarial and Cost Auditors
- (17) To provide for the welfare of employees or ex-employees of the Company and their wives, widows and families or the dependents in connections of such persons, building or contributing to the building of houses, dwelling or chawls, or by grants of money, pension, gratuities, allowances, bonus or payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places or instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee to any charitable, benevolent, religious, scientific, national or other claim to support, to aid by the Company either by reason or locality of operation, or of public and general utility or otherwise.
- (18) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund or to an Insurance fund or as a Reserve Fund or sinking fund or any special Fund to meet contingencies or to repay debenture or debentures, or for special dividends or for equalizing dividends or for repairing, extending, and maintaining any of the property of the Company and for such other purpose (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to the Act, to invest the several sums to set aside of so much thereof as is required to be invested upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and disposal and apply and spend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they spend the same, or any part thereof, may be matters to or

upon which the capital money of the Company might rightly be applied or spent; and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debentures stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power, however to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.

- (19) To appoint and at their discretion remove or suspend such general managers, managers, chief financial officer, secretary, assistants, supervisors, clerks, agents and servants for permanent temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and for such amount as they may think fit, and also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit, and the provisions contained in the four following sub-clauses shall be without prejudice to the general powers conferred by this sub-clauses.
- (20) Subject to the provisions of the Act, a Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive officer, Manager, Company Secretary and Chief Financial Officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more Chief Executive Officers for its business.
- (21) To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company be necessary or expedient to comply with.
- (22) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local boards, and to fix their remuneration.
- (23) Subject to provision of the Act, from time to time and at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorize the member for the time being of any such local Boards, or any of them, to fill up any vacancies therein. Any such appointment of delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.



- (24) At any time by power of attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also, except in their limits authorized by the Board, the power to make loans and borrow monies) and for such period and subject to such conditions as the Board may from time to time think fit, and any appointment may (if the Board thinks fit) to make in favour of the members or any of the members of any local Boards, established as aforesaid or in favour of any Company or the shareholders, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Powers of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub delegate all or any of the powers, Authorities and discretions for the time being vested in them.
- (25) Subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.
- (26) Subject to the restrictions laid down in the Act, to delegate any of the powers, authorities and discretion for the time being vested in the Board , subject however to the ultimate control and authority being retained by it . Any such delegatee or attorney as aforesaid may be authorized by the Directors to sub delegate all or any of the powers, authorities and discretion for the time being vested in them.
- (27) From time to time to make vary and repeal by laws for the regulation of the business of the Company, its officers and servants.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

119. (a) Subject to the provisions of the Act -

Chief Executive Officer, etc.

A Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

- (b) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

Director may be Chief Executive Officer etc.

## DIVISION OF PROFITS AND DIVIDENDS

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| 120.     | The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.  | Company in General Meeting may declare dividends   |
| 121.     | Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.   | Interim dividends  |
| 122. (1) | The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. | Dividends only to be paid out of profits   |
| (2)      | The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.  | Carry forward of Profits   |
| 123. (1) | Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.   | Division of Profits  |
| (2)      | No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.   | Payments in advance  |
| (3)      | All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.  | Dividends to be apportioned  |
| 124. (1) | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.  | No Member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom. |

(2)	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause herein before contained, entitled to become a member, until such person shall become a member in respect of such shares.	Retention of dividends
125. (1)	Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.	Dividend how remitted
(2)	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Instrument of payment
(3)	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	Discharge to Company
126.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	Receipt of one holder sufficient
127.	No dividend shall bear interest against the Company.	No interest on dividends
128.	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	Waiver of dividends

#### **CAPITALISATION OF PROFITS**

129. (1)	Subject to the provisions of the Act, the Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve -	Capitalisation
(a)	that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and	
(b)	that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed byway of dividend and in the same proportions.	



(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards:	Sum how applied
(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;	
(B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;	
(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B).	
(3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;	
(4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.	
130. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall-	Powers of the Board for Capitalization
(a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and	
(b) generally do all acts and things required to give effect thereto.	
(2) The Board shall have power-	Board's power to issue fractional certificate/coupon etc.
(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and	
(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.	
(3) Any Agreement made under such authority shall be effective and binding on such Members.	Agreement binding on Members

## REGISTERS

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| 131. The Company shall keep and maintain at its Registered Office all statutory registers namely, Register of Charges, Register of Members, Register of Debenture holders, Register of any other security holders, the Register and Index of Beneficial Owners and Annual Return, Register of Loans, Guarantees, Security and Acquisitions, Register of Investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. | Statutory Registers |
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The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

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| 132. (a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. | Foreign Register |
| (b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the Register of Members.  |                  |

## THE SEAL

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| 133. (1) The Board shall provide for the safe custody of the seal.   | The Seal, its custody and use |
| (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. | Affixation of Seal            |

## ACCOUNTS

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| 134. (1) The company shall keep at the office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with the provisions of the Act.                      | Directors to keep accounts |
| (2) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. | Inspection by Directors    |

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| (3) | No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board. | Restriction on inspection by members |
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### AUDIT

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| 135. (1) | Every Financial Year, the Financial Statement of the Company shall be examined and the correctness thereof will be ascertained by one or more Auditors  | Accounts to be Audited annually          |
| (2)      | The Auditors shall be appointed in accordance with the provisions of the Act read with Rules made there under.  | Appointment of Auditors                  |
| (3)      | The Remuneration of the Auditors of a Company shall be fixed in its General Meeting or in such a manner as may be determined therein. The Remuneration so fixed shall in addition to the fee payable to an Auditor, include the expenses, if any, incurred by the Auditor in connection with the Audit of the Company and the facility extended to him but does not include any remuneration paid to him for any other service rendered by him at the request of the Company. | Remuneration of Auditors                 |
| (4)      | The Auditor so appointed shall provide to the Company only such other services as are approved by the Board or the Audit Committee as the case may be but shall not provide any such services as are prohibited under the Act.  | Auditor not to render certain services   |
| (5)      | All Notices of and other communication relating to any general Meeting shall be forwarded to the Auditor of the Company and the Auditor shall unless otherwise exempted by the Company attend either by himself or through his Authorised Representative who shall also be qualified to be an Auditor, any General Meeting and shall have right to be heard at such Meeting on any part of the Business which concern him as Auditor.   | Auditor's right to attend Meeting        |
| (6)      | Every Financial Statement of the Company when audited and approved by a General Meeting shall be conclusive.  | When Accounts to deemed finally settled. |

### RECONSTRUCTION

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| 136. | On sale of any of the undertaking of the Company the Board or the liquidators on a winding up may, if authorized by a Special Resolution, accept fully paid or partly paid up shares, debentures or securities of any other Company, whether incorporated in India or not either then existing or to be formed for the property of the Company, and the Board (if the profits of the Company permit) or the Liquidators (in winding up) may distribute such shares or securities or any other property of the Company amongst the members without realization, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to | Reconstruction |
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accept and shall be bound by any valuation or distribution so authorized and waive all rights in relation thereto, save only in case the company is proposed to be or is in the course of winding up, such statutory rights (if any under Section 319 of the Act) as are incapable of being varied or excluded by these Articles.

### **WINDING UP**

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| 137. | Subject to the applicable provisions of the Act and the Rules made thereunder -   | Winding up of Company |
| (a)  | If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. |                       |
| (b)  | For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.   |                       |
| (c)  | The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities where on there is any liability.                        |                       |

### **SECRECY**

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| 138. | <p>(a) Every Director, Manager, Auditor, Treasurer, Trustee member of a committee, officer, servant, agent, accountant, or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matter relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required so to do by the Directors or by law or by the persons to whom such matters are related and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p> <p>(b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or Key Managerial Persons or Authorised Officials to require discovery of any information respecting any details of the company's trading, or any matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.</p> | Secrecy Clause |
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## INDEMNITY AND RESPONSIBILITY

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| <p>139. (a) Subject to the provisions of the Act, every Director, Managing Director, Whole-time Director, Manager, Company Secretary, Chief Financial Officer and other Officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, Manager, Company Secretary, Chief Financial Officer or Officer or in any way in the discharge of his duties in such capacity including expenses.</p>  | <p>Directors and officers right to indemnity</p> |
| <p>(b) Subject as aforesaid, every Director, Managing Director, Manager, Company Secretary, Chief Financial Officer or other Officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.</p>   |  |
| <p>(c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and / or former Directors and Key Managerial Personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.</p>  | <p>Insurance</p>                                 |
| <p>(d) Subject to the provisions of the Act, no Director, Manager or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for the sake of conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising to the bankruptcy, insolvency or tortuous act of any person, Company or Corporation with whom any money, securities or effects shall be entrusted or deposited or for any loss occasioned by an error or judgement or oversight on his or their part or for any other loss or damage or misfortune whatever, which shall happen in the execution of the duties of his or their office or in relation thereto unless the same happens through his own dishonesty.</p> | <p>Not responsible for acts of others.</p>       |

## GENERAL POWER

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| <p>140. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.</p> | <p>General power</p> |
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Name Address and Occupation of Subscribers	Signature of the Subscriber	Name, Address Occupations of witnesses
1. PRITHVI RAJ JINDAL S/o. Sh. O. P. Jindal 45/41, Punjabi Bagh, New Delhi, (Business)	Sd/-	<p>I witness all the Signatures Sd/- (PRADEEP KUMAR JAIN) Chartered Accountant S/o Sh. Vidya Sagar Jain Resident of 41/41, West Punjabi Bagh, New Delhi</p>
2. RATTAN JINDAL S/o. Sh. O. P. Jindal Jindal House Delhi Road, Hisar (Business)	Sd/-	
3. ANAND PARKASH GARG F.C. A., A. C. S. S/o. Sh. Lakshmi Chand Garg Boarding House Street Rori Bazar, Sirsa (Business)	Sd/-	
4. KULDEEP BHARGAVA S/o. Sh. A. P. Bhargava Anand Bhawan, Hisar (Business)	Sd/-	
5. SHANTI SARUP SAXENA S/o. Late Sh. B. R. Saxena 41/41, Punjabi Bagh, New Delhi-110026 (Service)	Sd/-	
6. NIRMAL CHAND MATHUR S/o. Late Sh. H.C. Mathur C-2/9, Vasant Vihar, New Delhi-110057 (Service)	Sd/-	
7. AKHILESH BANSAL S/o. Late Sh. B. P. Bansal 41/41, West Punjabi Bagh New Delhi-110026 (Service)	Sd/-	

Dated this

8th

day of September 1984

Place : DELHI



