

Office Of

# Diptiman Singh

Advocate High Court

Chamber No. - 178

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District - Mathura

9392  
02-08-16

Company Petition No. - 16 of 2016

In The Matter Of-

Jindal Saw Ltd. And 3 Others

.....Petitioner

Application ..... 02/08/16  
Date of issue ..... 02/08/16  
By ..... Cm

Formal Order Dated- 01/08/2016



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 JTF INFRALOGISTICS LIMITED AND JTF  
SHIPYARDS LIMITED AND JTF 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

**JTF 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

**JTF 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

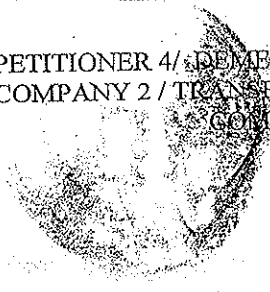
JITF SHIPYARDS LIMITED

... PETITIONER 3/  
TRANSFEROR COMPANY

AND

JITF WATERWAYS LIMITED

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



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**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

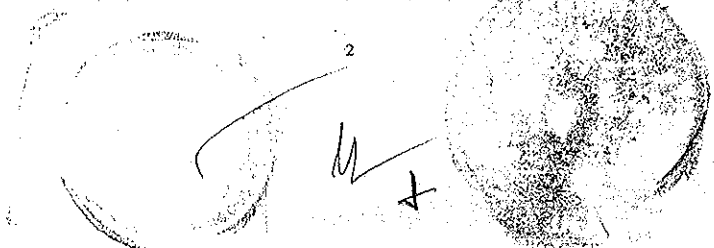
This Composite Scheme of Arrangement ("Scheme") for demerger, amalgamation and capital reduction is presented under the provisions of Sections 391 - 394 read with Sections 100 - 103 of the 1956 Act (as defined hereinafter) and/ or other relevant provisions of the Act (as defined hereinafter), for the (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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I 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 I 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 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.

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 Transferee Company and the Transferor 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 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.

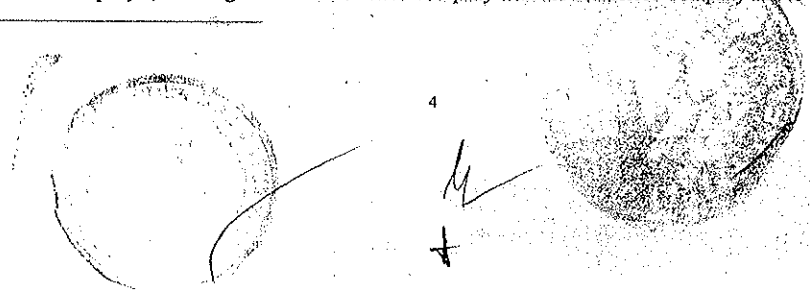
Pursuant to the demerger of Demerged Undertaking 2 and vesting of the same in the Resulting Company 2, the capital redemption reserve (if required), capital reserve (if required) and the securities premium account (if required) of the Resulting Company 2 shall be reduced to set off the accumulated accounting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

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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.

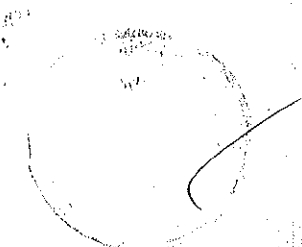
Part E deals with listing of the equity shares of Resulting Company 1 on the Stock Exchanges (as defined hereinafter).

**2. SECTION II**

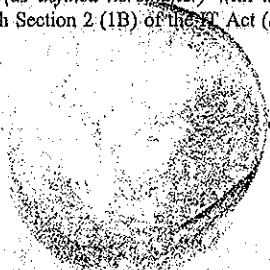
**AMALGAMATION OF THE TRANSFEROR COMPANY (AS DEFINED HEREINAFTER) WITH THE TRANSFEREE COMPANY (AS DEFINED HEREINAFTER)**

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



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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.

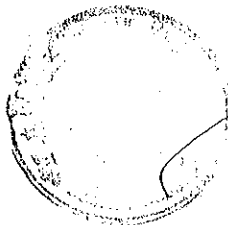
4. SECTION IV

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



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**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**

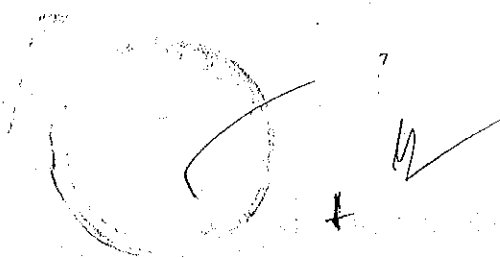
**WHEREAS:**

- 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.

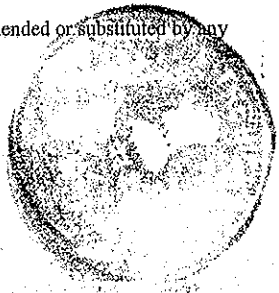
**1. DEFINITIONS**

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 1 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;

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- (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

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

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

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:

Statement of Profit	Amount (Rs.)
<b>Authorized Capital</b>	
<b>Equity</b>	
50,000 Equity Shares of Rs. 10 each	5,00,000
<b>Total</b>	<b>5,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
<b>Equity</b>	
50,000 Equity Shares of Rs. 10 each	5,00,000
<b>Total</b>	<b>5,00,000</b>

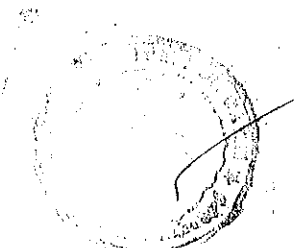
- 2.4 The members of the Resulting Company 1 have vide a resolution dated November 2, 2015 resolved to sub-divide each fully paid up equity share of the Resulting Company 1 having face value of Rs. 10 (Rupees Ten only) into 5 (five) fully paid up equity shares of face value of Rs. 2 (Rupee Two only) 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



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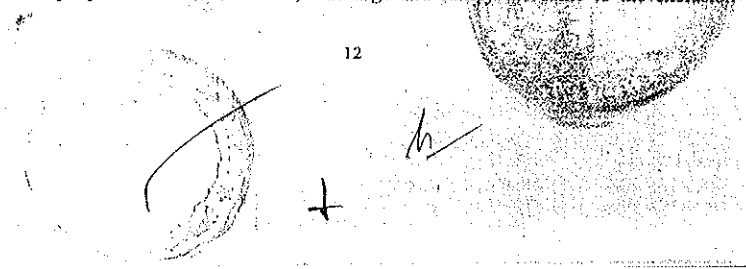


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1, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed by the Demerged Company 1 or the Resulting Company 1. Upon Section I of the Scheme coming into effect on the Effective 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.

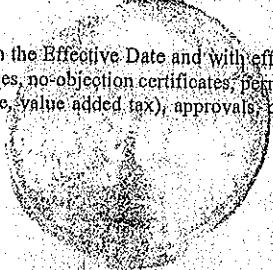
- b. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 1, all the assets of the Demerged Company 1 relating to the Demerged Undertaking 1 as are movable in nature and are capable of transfer by endorsement and delivery, shall stand 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.
- c. 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.
- d. 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



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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 recordal 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,

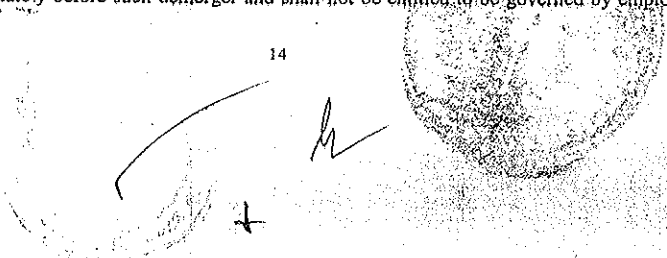


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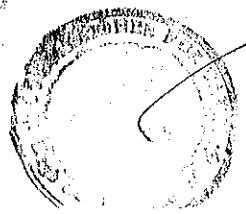
permits, quotas, easements, goodwill, entitlements, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the Demerged Undertaking 1 of the Demerged Company 1 or granted to the Demerged Company 1 in relation to the Demerged Undertaking 1 shall stand vested 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 1 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 1 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 1 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 1 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 1 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 1 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 49, 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.



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- 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.

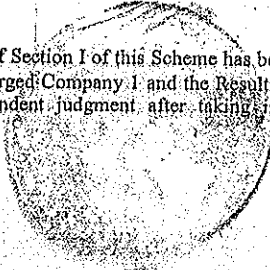
PART C

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



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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 Demerger 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

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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 Sections 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 authorized 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 authorized 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.



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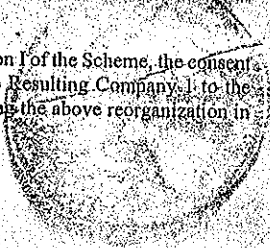
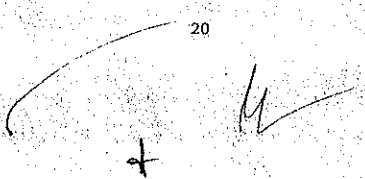
512. It is expressly clarified that for the purposes of Clause 5 of Section I of the Scheme, the consent of the shareholders of the Demerged Company 1 to the Scheme and the consent of the secured and unsecured creditors of the Demerged Company 1 to the Scheme shall be deemed to be sufficient for the 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.

513. 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.

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.

514. 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.

515. 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



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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.

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.

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.

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.



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.

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**

**ACCOUNTING TREATMENT**

**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 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

#### 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



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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.

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.



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**SECTION II**

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

**PART A**

**WHEREAS:**

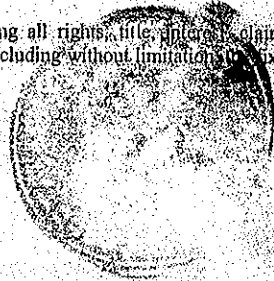
- A. JTF Shipyards Limited (hereinafter referred to as the "Transferor Company"), is a company incorporated under the Companies Act, 1956 having its registered office at A-1 UPSIDC (Industrial) Area, Nandgaon Road, Kosi Kalan District, Mathura, Uttar Pradesh - 281403. The Transferor Company is a wholly owned subsidiary of Demerged Company I. The description of the Transferor Company is more particularly set out in Schedule 1 hereto.
- B. JTF 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, interests, claims, covenants, undertakings of the Transferor Company, including without limitation, fixed assets listed in of Schedule 1 hereto;

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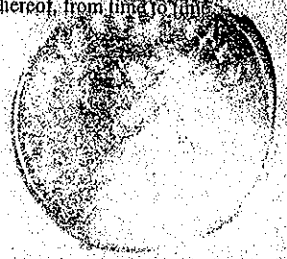


- (ii) all investments, receivables, loans and advances extended (including CENVAT credit or other tax assets), including accrued interest thereon of the Transferor Company;
- (iii) all debts, borrowings and liabilities (including the Transferor Company CCDs, if any), whether present or future, whether 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 hereof.
- (g) "Trustee 2" shall have the meaning ascribed to it in Clause 4.4 of Section II hereof.

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 same may be, including any statutory modification or re-enactment thereof, from time to time.

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**SHARE CAPITAL**

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

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

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.

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

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

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

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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, etc.

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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

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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.

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

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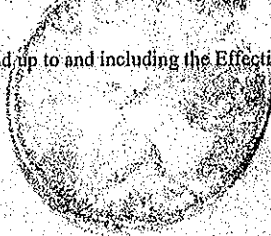
powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. Further, upon Section II of the Scheme coming into effect on the Effective Date and with effect from the Amalgamation Appointed Date, any prosecution or disciplinary action 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

#### CONSIDERATION

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.

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.

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.

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.

**REDUCTION OF THE CAPITAL RESERVE AND SECURITIES PREMIUM ACCOUNT OF THE TRANSFEREE 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(c) 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

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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.

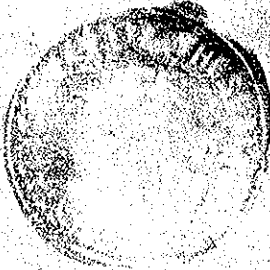
**PART D**

**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:



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- (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(c) 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.

#### TRANSFER OF THE AUTHORIZED SHARE CAPITAL

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. 299,00,00,000 (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, 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:

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"The Authorised 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."

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.


**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.

**CHANGE IN NAME OF THE TRANSFEREE COMPANY**

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 offices, 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.

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.

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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.

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## 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,



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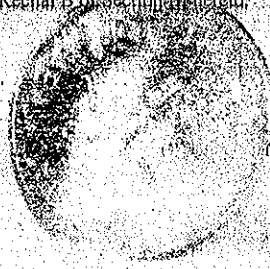
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covenants, undertakings of the Demerged Company 2 pertaining to the Demerged Business 2, including without limitation, the fixed assets listed in Schedule 2 hereto;

- (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" 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 II hereto.



(1) "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, by-laws, guidelines, circulars, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2. SHARE CAPITAL

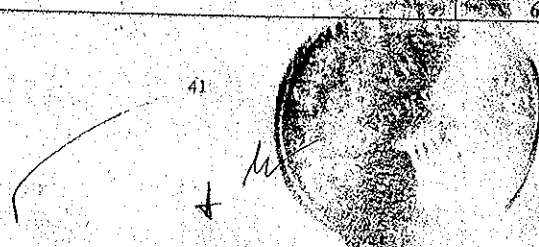
2.1 The share capital of the Demerged Company 2, as on September 30, 2015 was as under:

Share Capital	Amount (Rs.)
<b>Authorized Capital</b>	
Equity	
210,000,000 Equity Shares of Rs. 10 each	2,100,000,000
<b>Total</b>	<b>2,100,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
	2,044,793,560
20,44,79,356 Equity Shares of Rs. 10 each	
<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.)
<b>Authorized Capital</b>	
Equity	
500,000,000 Equity Shares of Rs. 2 each	1,000,000,000.00
Preference	
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>
<b>Issued Capital</b>	
	609,075,762
304,537,881 Equity Shares of Rs. 2 each	
<b>Total</b>	<b>609,075,762</b>
<b>Subscribed and Paid-up Capital</b>	
	609,071,762
304,533,881 Equity Shares of Rs. 2 each	
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>



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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.

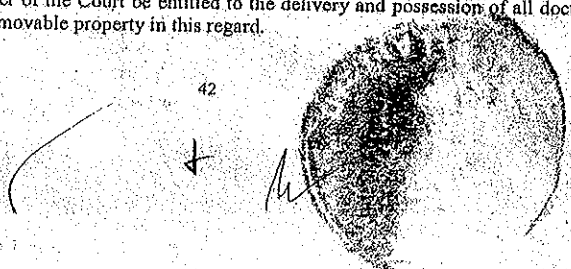
Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Resulting Company 2, there has been no change in the issued, subscribed or paid up share capital of the Resulting Company 2.

#### PART B

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

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 LI 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

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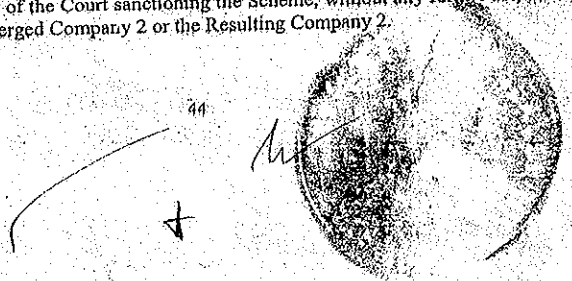
and an integral part of the Resulting Company 2, by operation of law pursuant to the vesting order of the Court sanctioning the Scheme, without any further act, instrument or deed of the Demerged Company 2 or Resulting Company 2.

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.

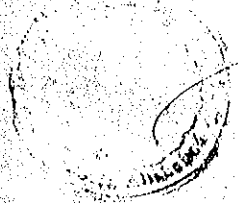
h. Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, any statutory licenses, no-objection certificates, permissions, registrations (including sales tax, service tax, excise, value added tax), approvals, consents, permits, quotas, 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.

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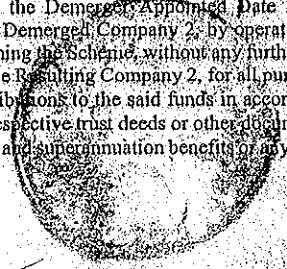


Upon Section III of the Scheme coming into effect on the Effective Date and with effect from the Demerger Appointed Date 2, the Resulting Company 2 shall bear the burden and the benefits of any legal or other proceedings initiated by or against the Demerged Company 2 in respect of the Demerged Undertaking 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.

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



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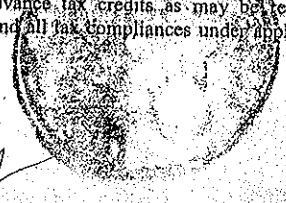
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special benefits or obligation, if any, created or used by the Demerged Company 2 (or an affiliate of the Demerged Company 2 on behalf of the Demerged Company 2) for its employees forming part of the Demerged Undertaking 2 and being transferred to 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



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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**

**CONSIDERATION**

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.

**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**

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

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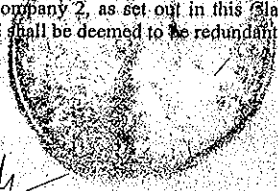
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reserve, the capital reserve and the securities premium account of the Resulting Company 2 shall stand reduced without any further act or deed on the part of the Resulting Company 2. The reduction in the capital redemption reserve and the securities 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.



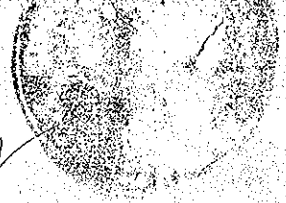
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Upon Section III of the Scheme coming into effect on the Effective Date, 20,24,79,356 (twenty crores twenty four lakhs seventy nine thousand three hundred and fifty six) issued and paid up equity shares of the Demerged Company 2 having face value of 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.

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.

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.

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

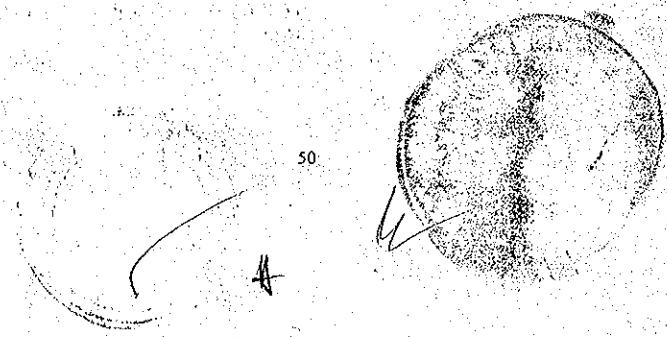


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52 of the 2013 Act read with Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Demerged Company 2 and without any 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.



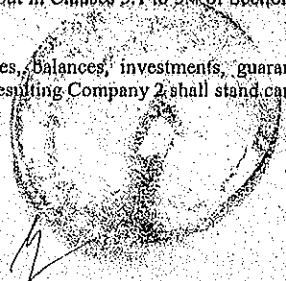
PART D

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.



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- (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.

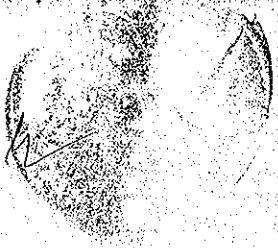
**6.2 Treatment in the books of the Demerged Company 2**

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**

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



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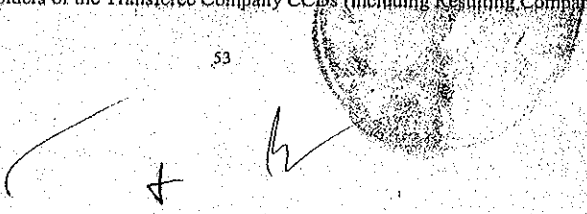
only), shall stand transferred from the authorized equity share capital of the Demerged Company 2 to the authorized equity share capital of the Resulting Company 2 and upon such transfer, the authorized share capital of the Resulting Company 2 as set out in Clause 2.3 of Section III of the Scheme herein 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).



8.2 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.



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## 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 Transferor 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

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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

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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.

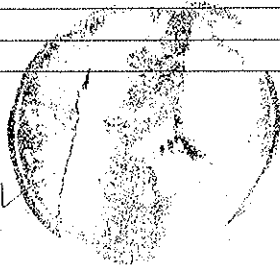


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**SCHEDULE 1  
DESCRIPTION OF TRANSFEROR COMPANY**

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				
	Welding 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				



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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				
<i>Furniture and Fixtures</i>	2010			Various Locations
<i>Vehicles (TATA MOBILE 207)</i>	2009	WB-03C-1648		Farraka
<i>Computer</i>	2010			Kolkata
<i>Office equipment:-</i>	2009/2010/ 2011			Kolkata
Air conditioner				
Air conditioner		LG Split A.C.		
DIGI Cam-Radio				
Digicam		Sony W530		
<b>B) Intangible Assets</b>				
Computer Software	2010			Kolkata
<b>C) Long term loan and advances:-</b>				
Jindal ITF Limited	2013-14			
Jindal Saw Limited (Resulting Company 2)	2014-15; 2015-16			
<b>D) Current assets including current investments, inventory, trade receivables, cash and bank balances, short-term loans and advances and other current assets</b>				
<b>B) Long-term borrowings (Transferor Company CCDs):-</b>				
IFCI Limited	2015-16			

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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	4315	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

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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

*[Handwritten signature]*

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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



*[Handwritten marks and scribbles]*

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

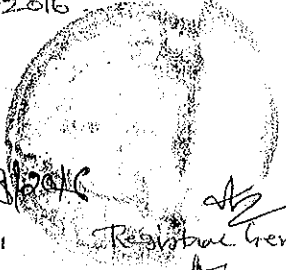
Sr. No.	Particulars	Mate	IMO No	Gross Tonnage	Remarks
A)	Tangible Assets:-				
	Jindal Kamakshi	2008	9528419	7460	Indian Flag Ship
	Jindal Meenakshi	2009	9528407	7460	Indian Flag Ship
	Jindal Tarini	2005	9318400	4123	Panama Flag Ship
	Jindal Varuna	2007	9411458	4422	Panama Flag Ship
	Containers	2008/09/12/13			Various Locations
	Computers	2008/09/11/14			Various Locations
B)	Intangible Assets:-				
	Computer Software				Various Locations
C)	Long term loans and advances:-				
	Capital advances				
	Security deposits				
	Advance to JTF Shipping & Logistics (Singapore) Pte Ltd.				
D)	Current assets including movable assets, current investments, inventory, trade receivables, cash and bank balances, short term loans and advances and other current assets				
E)	Long-term borrowings:-				
	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)	Current liabilities including short term borrowings, trade payables and other current liabilities and short term provisions				

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

(By the court)

Compared by  
AERW  
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  
27-7-2016  
S O  
27.7.16  
D.K.