

Deloitte Haskins & Sells

Chartered Accountants
Tower 3, 27th - 32nd Floor
Indiabulls Finance Centre
Elphinstone Mill Compound
Senapati Bapat Marg
Elphinstone (W), Mumbai - 400 013
India

Tel: +91 (22) 6185 4000
Fax: +91 (22) 6185 4501/4601

REF: SN/2014-15/151-B

The Board of Directors
KEC International Limited
RPG House
463, Dr. Annie Besant Road, Worli
Mumbai – 400030

Independent Auditor's Certificate on the Statement of Undertaking, as required under Paragraph 5.16(b) of the Security Exchange Board of India (SEBI) Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 (as replaced by Paragraph 7 of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013) ("SEBI Circulars") regarding non-applicability of the requirements of Paragraph 5.16(a) of SEBI Circulars relating to approval of the Proposed Scheme of Amalgamation through postal ballot and e-voting by the shareholders of KEC International Limited

1. We, Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 117365W), the Statutory Auditors of KEC International Limited ("the Company") having its registered office at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra – 400 030, for the purpose of certifying the attached "Statement of Undertaking in relation to non-applicability of requirements prescribed in paragraph 5.16(a) of SEBI Circular CIR/CFD/DIL/5/2013 dated February 4, 2013 as replaced vide SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 (referred to as "Replaced Para 5.16") to the Scheme of Amalgamation of Jay Railway Projects Private Limited with KEC International Limited ("KEC" or "the Company") and their respective shareholders and creditors (the "Scheme") (hereinafter referred to as "the Undertaking"), prepared by the Company and approved by the Board of Directors of the Company at their meeting held on February 4, 2015, and duly signed by the Company Secretary of the Company, have examined:
 - a) the Proposed Scheme of Amalgamation of Jay Railway Projects Private Limited with the Company and their respective shareholders and creditors in terms of sections 391 to 394 of the Companies Act, 1956 ("the Proposed Scheme"), approved by the Board of Directors of the Company at their meeting held on February 04, 2015; and
 - b) the audited financial statements of Jay Railway Projects Private Limited and the Company for the year ended March 31, 2014.

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Deloitte Haskins & Sells

2. The Management of the Company is responsible for preparation of the Undertaking and for ensuring compliance with the requirements of the SEBI Circulars including providing proper reasons in the Undertaking for non-applicability of approval of the Proposed Scheme through postal ballot and e-voting by the shareholders of the Company. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls and maintenance of proper books of account and such other relevant records as prescribed by applicable laws relevant for the preparation of the Undertaking that is free from material misstatement, whether due to fraud or error.
3. Our responsibility, for the purpose of this certificate, is limited to certifying the particulars contained in the Undertaking on the basis of our examination of the Proposed Scheme and the audited financial statements of Jay Railway Projects Private Limited and the Company for the year ended March 31, 2014. Our examination did not include the evaluation of the adherence by the Company with all the applicable guidelines of SEBI. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing issued by the Institute of Chartered Accountants of India, which include the concepts of test checks and materiality.
4. A copy of the Undertaking and the Proposed Scheme as approved by the Board of Directors of the Company at its meeting held on February 4, 2015, certified by the Company Secretary of the Company forms Annexures I and II, respectively, to this certificate.
5. On the basis of our examination as stated in Paragraph 3 above and according to the information and explanations given to us by the Management of the Company, we certify that the requirements of Paragraph 5.16(a) of SEBI Circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 (as replaced by Paragraph 7 of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013) regarding approval of the Proposed Scheme through Postal Ballot and e-voting by the shareholders of the Company are not applicable in relation to the Proposed Scheme in view of the reasons mentioned in the Undertaking.
6. This Certificate is issued at the request of the Management of the Company in accordance with Paragraph 5.16(b) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 (as replaced by Paragraph 7 of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013) for onward submission to the BSE Limited, National Stock Exchange of India Limited and MCX Stock Exchange Limited, should not be used for any other purpose without our written prior consent.

For Deloitte Haskins & Sells
Chartered Accountants
(ICAI Reg. No. 117385W)

Sara Nair
Partner

Membership No. 40081

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Mumbai, February 04, 2015



Annexure - I

KEC International Limited

Regd. Office: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400030, India

Tel.: +91-22-61691600 • Fax +91-22-66670287

CIN No. L45200MH2005PLC152061 • Web.: www.kecrpg.com

Statement of Undertaking

Statement of Undertaking in relation to non-applicability of requirements prescribed in Paragraph 5.16(a) of SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 as replaced vide SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013 (referred to as "Replaced Para 5.16") to the Scheme of Amalgamation of Jay Railway Projects Private Limited with KEC International Limited ("KEC" or "the Company") and their respective shareholders and creditors (the "Scheme")

1. The Board of Directors of KEC International Limited ("the Company") at their meeting held on 4th February, 2015 have considered and approved the Proposed Scheme of Amalgamation of Jay Railway Projects Private Limited ("JRPPPL") with the Company and their respective shareholders and creditors in terms of Section 391 to 394 and other relevant provisions of the Companies Act, 1956 (the "Proposed Scheme").
2. JRPPPL is a wholly owned subsidiary of the Company. Accordingly, upon the Proposed Scheme becoming effective, the Company shall not be required to issue any shares pursuant to the Proposed Scheme. Therefore, the question of allotment of additional shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company as required under Replaced Para 5.16(a)(i) of SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May 2013, does not arise and there will be no change in the Promoter and Public shareholding pattern of the Company pursuant to the Scheme.
3. The Proposed Scheme relates to amalgamation of JRPPPL i.e. a wholly owned subsidiary, into the Company and does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company as envisaged under Replaced Para 5.16(a)(ii) of SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013.
4. The Company acquired 100% shareholding in Jay Railway Projects Private Limited post signing of a definitive Share Purchase Agreement on 14th September, 2010 between the Company and the then shareholders (other than Promoters). Accordingly, the question of acquiring the equity shares of the subsidiary, by paying consideration in cash or in kind, in the past to any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company as required under Replaced Para 5.16(a)(iii) of SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013, does not arise.





KEC International Limited

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CIN No. L45200MH2005PLC152061 • Web.: www.kecrpg.com

5. In view of the above and pursuant to Paragraph 7 of the SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013, the requirements stated in Paragraph 5.16(a) of the SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 (as replaced by Paragraph 7 of SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013) regarding approval of the Proposed Scheme through postal ballot and e-voting by the shareholders of the Company are not applicable in relation to the Proposed Scheme.

For KEC International Limited

Ch. V. Jagannadha Rao
Company Secretary



Date: 4th February, 2015
Place: Mumbai

**SCHEME OF AMALGAMATION
OF
JAY RAILWAY PROJECTS PRIVATE LIMITED
WITH
KEC INTERNATIONAL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956**

GENERAL

This Scheme of Amalgamation is presented for the amalgamation of Jay Railway Projects Private Limited (hereinafter referred to as "the Transferor Company" or "the Amalgamating Company" or "Jay Railway") with KEC International Limited (hereinafter referred to as "the Transferee Company" or "the Amalgamated Company" or "KEC"). The Transferor Company is a wholly owned subsidiary of the Transferee Company. This scheme is made pursuant to the provisions of section 391 to 394 and other relevant provisions of the Companies Act, 1956 and/or the Companies Act, 2013, as may be applicable.

Part-I

1. DEFINITIONS

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

1.1 "**Act**" means the Companies Act, 1956 or the Companies Act, 2013 as in force from time to time. As on date of approval of this Scheme by the respective Board of Directors of the Transferor Company and the Transferee Company, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. References in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956 unless stated otherwise. Upon such provisions standing re-enacted by enforcement of



provisions of the Companies Act, 2013 such reference shall, unless a different intention appears, be construed as references to the provisions so re-enacted.

1.2 *"Appointed Date"* For the purpose of this Scheme and for Income Tax Act, 1961, the *"Appointed Date"* means 1st April, 2014.

1.3 *"Court" or "High Court"* means the Hon'ble High Court of Judicature at Bombay or National Company Law Tribunal empowered to sanction the Scheme as per the provisions of the Act.

1.4 *"Effective Date"* means the date on which the authenticated / certified copy of the order of the Court sanctioning this Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai by the Transferor and the Transferee Company, if required.

1.5 *"Scheme of Amalgamation" or "the Scheme" or "this Scheme"* means this Scheme of Amalgamation in its present form or with any modification(s) approved, imposed, or directed by the Court or any other appropriate authority.

1.6 *"Transferee Company"* means KEC International Limited, a Company incorporated under the provisions of the Act, having its registered office at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra - 400 030.

1.7 *"Transferor Company"* means Jay Railway Projects Private Limited, a Company incorporated under the provisions of the Act, having its registered office at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra - 400 030.

1.8 *"Undertaking"* shall mean an include the whole of the undertaking of the Transferor Company, as a going concern, including their businesses, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or in corporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work-in-progress, current



assets, investments, reserves, provisions, funds, licenses, registrations, copyrights, patents, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers, office equipment, telephones, telexes, facsimile connections, internet connections, communication facilities, equipment and installations and utilities, electricity, water and other service connection, benefit of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, MAT etc.), software license, Domain / Websites etc. in connection / relating to the Transferor Company and other claims and powers, of whatsoever nature and wheresoever situated by the Transferor Company, as on the Appointed Date.

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

2. SHARE CAPITAL

2.1 The Authorized, Issued, Subscribed and Paid up Share Capital of the Transferor Company as on 31 January 2015 is as under:

AUTHORIZED SHARE CAPITAL:	Amount (in Rs.)
40,00,000 equity shares of Rs. 10 each	4,00,00,000

ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL:

10,00,000 equity shares of Rs. 10 each	1,00,00,000
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Subsequent to the aforementioned date, there is no change in the Capital Structure of the Transferor Company. All the Equity Shares issued by the Transferor Company, as above, are presently held by the Transferee Company and its nominee. Accordingly, the Transferor Company is a wholly owned subsidiary of the Transferee Company.

2.2 The Authorized, Issued Subscribed and Paid up Share Capital of the Transferee Company as on 31 January 2015 is as under:

<u>AUTHORISED SHARE CAPITAL:</u>	Amount (in Rs.)
55,00,00,000 Equity Shares of Rs. 2 each	1,10,00,00,000
15,00,000 Redeemable Preference Shares of Rs. 100 each	<u>15,00,00,000</u>
Total	<u>1,25,00,00,000</u>

ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL:

25,70,88,370 Equity Shares of Rs. 2 each fully paid up Rs. 51,41,76,740

Subsequent to the aforementioned date, there is no change in the Capital Structure of the Transferee Company.

PART II

3. TRANSFER OF UNDERTAKING

The Undertaking shall be transferred to and vested in or deemed to be transferred to and vested in the Transferee Company in the following manner:

3.1 With effect from the Appointed Date, the whole of the Undertaking of the Transferor Company comprising its businesses, all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in sub-clauses 3.2, 3.3 and 3.4 below,), be transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as from the Appointed Date, the undertaking of the



Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

Provided that for the purpose of giving effect to the vesting order passed under Section 391 to 394 in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recording of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Company in accordance with the provisions of Section 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.

3.2 All the movable assets including cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of the Transferor Company and the Transferee Company.

3.3 In respect of movables other than those specified in sub clause 3.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi for intimating to third parties shall to the extent possible be followed:

- a. The Transferee Company shall give a notice in such a form as it may deem fit and proper, to each person, debtor, loanee or deposittee as the case may be, that pursuant to the Court having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realize the same stand extinguished and that appropriate entry should be passed in its books to record the aforesaid change;



b. The Transferor Company shall also give notice in such form as it may deem fit and proper to each person, debtor, advance, loanee or depositor that pursuant to the Court having sanctioned the Scheme the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company and that the right of the Transferor Company to recover or realize the same stands extinguished.

3.4 In relation to the assets, if any, belonging to the Transferor Company, which require separate documents of transfer, the Transferor Company and the Transferee Company will execute necessary documents, as and when required.

3.5 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or not in the balance sheet of the Transferor Company shall also, under the provisions of Section 391 read with Section 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

However, the Transferee Company may, at any time, after the coming into effect of this Scheme in accordance hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the creditors of the Transferor Company or in favour of any other party to contract or arrangement to which the Transferor Company is a party or any writing, as may be necessary, in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company as well as to implement and carry out all such formalities and compliances referred to above.



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

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

Provided further that the securities, charges and mortgages (if any substituting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of the Transferor Company vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation of the Transferor Company shall not be obliged to create any further or additional security therefore, after the amalgamation has become operative.

3.7 In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local or regulatory authority or by any other person and availed of by the Transferor Company are concerned, the same shall vest with, and be available to, the Transferee Company on the same terms and conditions.



3.8 Loans or other obligations, if any, due between the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf. In so far as any shares, securities, debentures or notes issued by the Transferor Company, and held by the Transferee Company, the same shall stand cancelled as on Effective Date, and shall have no effect and the Transferor Company, shall have no further obligation outstanding in that behalf.

3.9 Where any of the liabilities and obligations / assets attributed to the Transferor Company on the "Appointed Date" has been discharged / sold by the Transferor Company after the "Appointed Date" and prior to the "Effective Date" subject to clause 9.3 of this scheme, such discharge / sale shall be deemed to have been for an on behalf of the Transferee Company.

3.10 From the "Effective Date" and till such time that the names of the respective bank accounts of the Transferor Company is replaced with that of the name of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in its name, in so far as maybe necessary, as if the said accounts were opened in the name of the Transferor Company.

4 BENEFITS OF AMALGAMATION

4.1 The Transferor Company is a railways signaling automation systems and technology company and operates in the areas of design, execution, supply, installation, commissioning and maintenance of safety-related rail signaling and control systems. The Transferee Company is global infrastructure Engineering Procurement and Construction (EPC) provider and is also engaged in the business of Power Transmission and Distribution, Cables, Railways, Telecom and Water. The Transferor Company and the Transferee Company are engaged in the similar line of business acting as turnkey solution provider in the railway infrastructure EPC space. The resources available with both the companies could be pooled together and the Transferee Company will be able



to effectively utilize the same for the benefit of the Transferee Company on a larger scale.

4.2 By the amalgamation, the operational costs will be reduced and the management will be able to operate and run the Transferee Company and the Transferor Company as a single unit more effectively and economically resulting in better turnover and profits.

4.3 It will make available to the Undertaking of the Transferor Company, the benefit of financial resources, and managerial, technical and marketing expertise of the Transferee Company.

4.4 The amalgamation would bring in greater economies in scale of operations and will help in reducing expenditure considerable.

4.5 The amalgamation will be conducive to better and more efficient and economic control and conduct of the business of the Transferee Company.

4.6 There will be operational synergy in terms of procurement benefits, common license and reduction of administration work etc., for the Transferee Company.

4.7 The Transferee Company will have the benefit of the combined assets, man-power and cash flows of both the companies.

4.8 With the enhanced capabilities and resources at its disposal, the Transferee Company will have greater flexibility to market and meet consumer needs more effectively.

5 LEGAL PROCEEDINGS

5.1 All suits, actions and proceedings of whatsoever nature by or against the Transferor Company on the Appointed Date shall be transferred to the name of the Transferee Company and the same shall be continued and enforced by or against the Transferee Company, to the exclusion of the Transferor Company, as the case may be.



5.2 If proceedings are taken against the Transferor Company, in respect of matters referred to above, it shall defend the same in accordance with the advice of, and at the cost of, the Transferee Company, as the case may be from Appointed Date till Effective Date.

6 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

6.1 Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmation or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company as the case may be will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.

6.2 As a consequence of the amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from the Transferor Company, as the case may be, to the Transferee Company, whether for the purposes of any license, permit, approval or any other reason, or whether for the purpose of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.

6.3 The Transferee Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings, as may be necessary, to be executed in order to give final formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be



authorize to execute any such writings on behalf of the Transferor Company shall under the provisions of the Scheme be deemed to be authorized to execute such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.

6.4 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

7 EMPLOYEES

7.1 All staff, workmen and employees (temporary and permanent) of the respective Transferor Companies who are in service on the Effective Date, shall become the staff, workmen and employees of the Transferee Company on such date without any break or interruption in their service and on the same terms and conditions on which they are engaged by the Transferor Companies, (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and other retirement benefits) as on the Effective Date.

7.2 It is expressly provided that as far as the provident fund, gratuity fund, superannuation fund or any other special fund or schemes created, participated or existing for the benefit of the staff, workmen and employees of the respective Transferor Companies are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with provisions of such schemes and



funds as per the terms provided in the respective trust deeds or other documents. It is the aim and intent that all the rights, duties, powers and obligations of the respective Transferor Companies in relation to such funds/ schemes shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the respective Transferor Companies will be treated as having been continuous for the purpose of the aforesaid funds, schemes, benefits, plans or provisions and shall be taken into account.

7.3 The Transferee Company shall continue to abide by any agreements(s)/ settlement(s) entered into by the respective Transferor Companies with any of the employees of the Transferor Companies. The Transferee Company agrees that for the purpose of payment of any retrenchment, compensation, gratuity and other terminal benefits, the past services of such employees with the respective Transferor Companies shall also be taken into account, and further agrees and undertakes to pay the same as and when payable.

8 SAVING OF CONCLUDED TRANSACTIONS

8.1 The transfer of undertaking under Clause 3 above, the continuance of proceedings by or against the Transferee Company under Clause 5 above, and the effectiveness of contracts and deeds under Clause 6 above shall not affect any transaction or proceedings or contracts or deeds already included by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

9 CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

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

9.1 The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.



9.2 All profits or income or income tax accruing or arising to the Transferor Company, or losses arising or expenditure incurred by them, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as the profits or income or losses or expenditure or income tax of the Transferee Company.

9.3 The Transferor Company shall carry on their business activity with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any part of the undertaking (except in ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).

9.4 The Transferor Company shall continue to comply with the provisions of the Act including those relating to preparation, presentation, circulation and filing of accounts as and when they become due for compliance.

9.5 The Transferor Company shall not declare any dividend, between the Appointed Date and the Effective Date, without the prior written consent of the Transferee Company.

9.6 The Transferor Company shall not make any modification to their capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassify, sub-divide or reorganize or in any other manner, whatsoever, except by mutual consent of the Board of Directors of the Transferor Company and of the Transferee Company.

9.7 The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.

10 CONSIDERATION

The Transferor Company is a wholly owned subsidiary of the Transferee Company. Upon the Scheme becoming effective, the shares held by the Transferee Company and its



nominees in the Transferor Company shall be cancelled and extinguished and no share shall be issued by the Transferee Company in consideration for this Scheme of Amalgamation.

11 AUTHORIZED SHARE CAPITAL

11.1 Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any paid by the Transferor Company on its authorized share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorized share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorized share capital.

11.2 'Clause V' of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified, and amended pursuant to Section 61, 64 of the Companies Act, 2013 and other applicable provisions of the Act by deleting the existing Clause and replacing it by the following:

"The Authorized Share Capital of the Company is Rs. 1,290,000,000 (Rupees One hundred and twenty-nine crores) divided into 570,000,000 (Fifty Seven crore) Equity shares of Rs. 2 each and 15,00,000 Redeemable Preference Shares of Rs. 100 each, with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company".

12 ACCOUNTING TREATMENT

12.1 The amalgamation being "amalgamation in the nature of merger" as defined in the Accounting Standard 14, Accounting for Amalgamations (AS 14) shall be accounted for



under the pooling of interest method in accordance with the said AS 14. Further, the Board of Directors of the Transferee Company is authorized to account for this amalgamation in a manner as may be deemed fit, in accordance with the Accounting Standards as may be notified under section 133 of the Companies Act, 2013 issued by the Institute of Chartered Accountants of India and Generally Accepted Accounting Principles in India.

12.2 The Transferee Company shall, upon the Scheme coming into effect, record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme at their respective book values as recorded in the books of accounts of the Transferor Company.

12.3 The debit balance in Profit and Loss Account of the Transferor Company as per the audited accounts as at the close of business of the day immediately preceding the Appointed Date i.e. 1st April, 2014 shall be adjusted against the Profit and Loss Account of the Transferee Company on amalgamation.

12.4 The amount of investments in the Transferor Company appearing in the books of account of the Transferee Company shall be offset against the equity of the Transferor Company.

12.5 To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, if any, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

13 TREATMENT OF TAXES

13.1 Any tax liability under the Income Tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state Sales Tax / Value Added Tax Laws, Service Tax, stamp laws or other applicable laws / regulations (hereinafter in this clause referred to as



“Tax Laws”) dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.

13.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and / or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business and or from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall in all proceedings, be dealt with accordingly.

13.3 Any refund under the Tax laws due to Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

13.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, VAT, etc., to which the Amalgamating Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Amalgamated Company.

13.5 The Amalgamation as contemplated in this Scheme would be completed in a manner so as to comply with the conditions relating to ‘ amalgamation’ as specified under section 2 (1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at the later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme



shall stand modified to the extent determined necessary to comply with section 2 (1B) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

PART III

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY

14 APPLICATION TO COURT

14.1 The Transferor Company being a wholly owned subsidiary of the Transferee Company, the Transferor Company shall alone, with all reasonable dispatch, make applications / petitions under Section 391 to Section 394 and other applicable provisions of the Act to the High Court for seeking sanction of this Scheme and for dissolution of the Transferor Company without winding up under the provisions of the Act.

15 DISSOLUTION OF TRANSFEROR COMPANY

15.1 Subject to an order being made by the Court Section 394 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made thereunder.

16 MODIFICATIONS / AMEDMENTMENTS TO THE SCHEME

16.1 Subject to approval of High Court, the Transferor Company and the Transferee Company through their respective Board of Directors approval, may make or assent to any alteration or modification to this Scheme or to any conditions or limitations, which the Court or any other Competent Authority may deem fit to direct, approve or impose and may give such directions including an order of dissolution of the Transferor Company without process of winding up as they may consider necessary, to settle any



doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this Scheme into effect.

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

17 DATE OF TAKING EFFECT

17.1 The Scheme set out herein in its present form or with any modifications (s) or amendments(s) approved, imposed or directed by the Court shall be effective from the Effective Date but shall be operative from the Appointed Date.

18 SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to -

18.1 The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

18.2 The approval of and agreement to the Scheme by the requisite majority of such classes of persons of the Transferor Company as may be directed by the Court on the applications made for directions under Section 391 of the Act for calling meetings or for dispensing with their holding.

18.3 The sanction by the Court under Sections 391 and 394 and other applicable provisions of the Act being obtained by the Transferor Company.



18.4 Filing with the Registrar of Companies, Maharashtra at Mumbai, the certified copy of order, sanctioning the Scheme by the Transferor Company and the Transferee Company.

19 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

19.1 In the event of any of the said sanctions and approvals not being obtained as aforesaid and / or the Scheme not being sanctioned by the High Court and / or the order or orders not being passed as aforesaid before 31 March 2016 or within such further period or periods as may be agreed upon between the Transferor and the Transferee Company who are hereby empowered and authorized, to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective Board of Directors, the Scheme shall become fully null and void and shall stand revoked, cancelled and be of no effect and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme except in respect of any act or deed done prior thereto.

20 EXPENSES CONNECTED WITH THE SCHEME

20.1 All costs, charges, levies fees, duties and expenses in relation to or in connection with the Scheme shall be borne and paid by the Transferee Company.

