

SCHEME OF AMALGAMATION AND ARRANGEMENT

BETWEEN

SKIL INFRASTRUCTURE LIMITED

AND

HORIZON COUNTRY WIDE LOGISTICS LIMITED

AND

FASTLANE DISTRI PARKS & LOGISTICS LIMITED

(THE TRANSFEROR COMPANIES)

WITH

HORIZON INFRASTRUCTURE LIMITED

(THE TRANSFEREE COMPANY)

PART-I

(A) Background

- I. **SKIL Infrastructure Limited** (hereinafter referred to as "SKIL" or the "1st Transferor Company") was incorporated as a public limited company under the Companies Act, 1956 in the name of "Sea King Engineers Limited" on 20th February, 1990 in Mumbai. The Certificate of Commencement of Business was granted on 17th April, 1990. Pursuant to a resolution passed in terms of section 21 of the Act, the name of the 1st Transferor Company was changed from "Sea King Engineers Limited" to "Sea King Infrastructure Limited" and a fresh Certificate of Incorporation consequent upon the change of name was issued on 14th January, 1999. Pursuant to a resolution passed in terms of section 21 of the Act, the name of the 1st Transferor Company was further changed from "Sea King Infrastructure Limited" to "SKIL Infrastructure Limited" and a fresh Certificate of Incorporation consequent upon the change of name was issued on 25th March, 2004. The Registered Office of the 1st Transferor Company is situated in the State of Maharashtra.

The main objects of the 1st Transferor Company are as follows:

- 1 To carry on the business of all types of Infrastructure and related projects, facilities, activities or works and to finance, build, construct, erect, install, undertake, laydown, commission, establish, own, operate, manage, control, administer, lease and transfer all infrastructure projects, facilities or works and activities including Special Economic Zones, Free Zones, industrial parks, logistics parks, services and facilities, agricultural parks, gardens, roads, bridges, flyovers, highways, roadways and other related structures, rail, road, railway stations, platforms, railway yards, sea ports, berths, jetties, docks, Airstrips, Airports, Well, Dams, Canals, Reservoirs, Water Ways, ship-yards, and marine structures and undertaking, developing and ship-breaking, shipbuilding, ship repairing and refit, coastal shipping, ro-ro services, in land and sea transport including goods, passengers and mail, rapid transport and telecommunications systems and all type of transportation systems, irrigation projects, chemical plants, Liquid Petroleum Gas, Liquid Natural gas and all types of petroleum products handling and storage plants and terminals, handling equipment of various types, pumping stations, industrial and technology parks, gas pipeline projects and other pipeline projects, oil and gas exploration, development, production including transportation, sale and refining of Hydrocarbons, Airport facilities including Maintenance and Repair Organisation (MRO), aerospace, schools, colleges, hospitals, hotels, Holiday Homes and/or Beach Resorts and such other activities as may be defined by the Government from time to time as Infrastructure activity and to do investments and provide consultancy in the aforesaid related activities carried on by other companies.
- 2 To enter into, or provide consultancy in connection with any contract, agreement, joint venture with the Central and State Governments, foreign Government, Municipal Local authorities whether in India or elsewhere as the Company may deem fit on the basis of any of the variations of the Public Private Partnership principles, including Build-Own-Lease-Transfer (BOLT), Built-Own-Operate-Transfer (BOOT), Built-Own-Operate (BOO) or any other similar mechanism, and to do investments in other companies for the purpose of carrying out the said objects of the Company.
- 3 To generate, accumulate, transmit, distribute, purchase, manufacture, produce, sell and supply electricity, power or any other energy from conventional or non-conventional energy sources including but not limited to coal, gas, lignite, oil, biomass, waste, thermal, solar, hydel, geo-hydel, wind and tidal waves, on commercial basis and to undertake the business of managing, owing, controlling, erecting, commissioning, operating, running, leasing or transferring power plants, plants based on conventional or non-conventional energy sources, and similar projects and to do investment in other companies to manage, produce and do all

things necessary for the above, including mining of coal and other natural resources, engaging in offshore and/or onshore production of oil and gas and related activities etc., and to deal in carbon credits and also to apply for such license, approval as may be required for selling CERs (carbon credit) to any country, agencies and statutory bodies and also to companies in India or abroad, and to enter into agreements with Governmental, Statutory Authorities including State and Central Government agencies either in India or abroad for the above purposes.

- 4 Either on its own or through any of its subsidiaries or in association with any Indian or foreign agency, individual, firm, company or government undertaking, to invest in and to be engaged in all aspects of the defence and defence production business, including acting as managers and consultants and availing of defence and aerospace business opportunities including opportunities created by offset obligations in India of foreign suppliers.
- 5 To carry on the business of Import, Export, Manufacturing and Trading of Marine Spares, General Machinery parts, economizer Steel Studded Tubes & Aluminium Guild Tubes.

II. HORIZON COUNTRY WIDE LOGISTICS LIMITED (hereinafter referred to as "HCWLL" or the "2nd Transferor Company") was originally incorporated as a public limited company under the Companies Act, 1956 in the name of "Nhava Seva Distriparks Limited" on 7th June, 2007 at Mumbai. The Certificate of Commencement of Business was given on 27th July, 2007. Pursuant to a resolution passed in terms of section 21 of the Act, the name of the 2nd Transferor Company was later changed from "Nhava Seva Distriparks Limited" to "Horizon Country Wide Logistics Limited" and a fresh Certificate of Incorporation consequent upon the change of name was given on 17th October, 2007. The Registered Office of the 2nd Transferor Company is situated in the State of Maharashtra.

The main objects of the 2nd Transferor Company are as follows:

1. To create, build, construct, undertake, acquire, maintain, run, operate, provide, manage, control, Administrate, lease, transfer all types of infrastructure projects, facilities or works for logistics projects including Inland Container Depot (ICD), Container Freight Station (CFS), Free Trade Warehousing Zone (FTWZ), Inland Rail Depot (IRD), Container Maintenance Depot (CMD), Container yard, Warehousing facilities, cold Storage Facilities, Railway Container operation, refrigerated cargo including processing, packaging, repackaging facilities and special category of Special Economic Zones (SEZ) focus on logistics projects and support of movement of cargo, goods, container and door to door facilities.

2. To carry on all or any of the business of transport, catage, and hadage contractors, Transport Contractors, freight contractors, chatterers of road vehicle, aircrafts, ships tugs, barges and boats, of every description, lighter men, carriers of goods and Forwarding agents, Delivery Agents in all their branches and carry goods, animals and passengers by road, rail, water or air, Carmen, cartage contractors, stevedores, carts, superintendence, pacers, haulers, warehousemen, storekeepers, jobmasters, hotel and motel owners.
3. To maintain, built, equip, hire, own, operate, transfer or otherwise, deal with ports, airport, airstrips, shipyards, jetties, harbours, docks, ship breaking, ship dismantling, ship repairs, ship refit, ship building, at any port in India or elsewhere and to carry on business of providing port services including handling of cargo in the form of solid, liquid, gaseous, containerized or in any other form and to provide any other services required by the users of the port in general and to provide services of all types and descriptions including charter hiring of supply vessels, tugs, anchors handling vessels, barges and all types of vessels related to offshore drilling, deep water drilling, development drilling and production, to apply for and acquire by purchase, lease, hire or license, exchange or otherwise, mineral and petroleum rights, mine and mining rights, to undertake activities related to drilling, mining, bore for, raising, digging, working, quarry for getting, extracting, taking, pumping, transmitting and to carry on the business of inland and sea transport including, goods, passengers and mail, shippers, ship brokers, ship agents, ship underwriters, ship manager, tug owner, barge owners, insurance brokers, loading brokers, freight brokers, freight contractors, stevedores, warehouseman, wharfinger and building, assembling, fitting, repairing, servicing and managing ships, seagoing vessels and vessels for inland waterway and to carry on the business of storage, warehousing, transportation and handling of all kinds of cargo, including coal containerized, or not from any port station to any container freight station or to any inland container depot and freight carriers, transportation of goods, animals or passengers from place to place either by land or by air, rail, sea, or partly by sea and partly by land or air, whether by means of motor vehicles and / or aeroplanes or other means of transport, and operate container freight stations, inland container depots activities, railway sidings and to own, lease, use container and deploy the containers in the business of international freight forwarding, by means of road, sea, transport, and multimodal transport and to carry on the business of clearing & shipping agent, hirers, fleet owners of trucks, trailers, cranes, bulldozers and all types of earth moving equipments and machines and to enter into any contract, agreement, joint venture with the Central and State Governments, Foreign Government, Municipal Local authorities whether in India or elsewhere as the Company may deem fit on the basis of Build-Own-Lease-Transfer (BOLT), Built-Own-Operate-Transfer (BOOT), Built-Own-Operate (BOO) or such other methods and

to do investments in other companies for the purpose of carrying out the said objects of the Company.

4. To establish, organize, manage, run, charter, conduct, contract, develop, handle, own, operate and to do business as fleet carriers, transporters, in all its branches on land, air, water & space, for transporting goods, articles, or things on all routes and lines on National and International level subject to law in force through all sorts of carriers like trucks, lorries, trawlers, dumpers, coaches, tankers, tractors, haulers, jeeps, trailers, motor buses, omnibuses, motor taxies, railways, tramways, aircrafts, hovercrafts, rockers, space shuttles, ships, vessels, boats, barges and so on whether propelled by petrol, diesel, electricity, steam oil, atomic power or any other form of power and to carry on the business as agents, distributors, merchants, importers, exporters, traders, contractors, warehousemen and to establish, maintain, operate and/or run agency lines in goods, stores, consumable items, durable merchandise, chattels and effects of every kind and description in any place in the world and without limiting the generality of the above, to carry on business as Selling Agents, Buying Agents, Factors, Mukadams, Carriers, Jath Merchants, Landing Clearing and Forwarding Agents, Commission Agents, Insurance Agents, Distributors and Stockiest, Brokers and/ or in any other capacity and to carry on the business of clearing and forwarding agents, courier and cargo handlers, handling and haulage contractors, warehousemen, common carriers by land, rail, water and air, container agents, to handle goods and passengers within the country and outside and to carry on the business of tour and travel operators and to act as customs agents, wharfingers, landing agents, stevedores and longshoremen.

III. FASTLANE DISTRI PARKS & LOGISTICS LIMITED (hereinafter referred to as "FDLL" or the "3rd Transferor Company") was incorporated as a public limited company under the Companies Act, 1956 in the name of "GEM Distriparks & Logistics Limited" on 3rd February, 2007 at Mumbai. The Certificate of Commencement of Business was given on 28th February, 2007. Pursuant to a resolution passed in terms of section 21 of the Act, the name of the 3rd Transferor Company was later changed from "GEM Distriparks & Logistics Limited" to "Fastlane Distriparks & Logistics Limited" and a fresh Certificate of Incorporation consequent upon the change of name was given on 12th December, 2007. The Registered Office of the 3rd Transferor Company is situated in the State of Maharashtra.

The main objects of the 3rd Transferor Company are as follows:

1. To build, operate, run, manage and provide logistics support for movement of cargo, goods, container etc. door-to-door facilities, Container Freight Stations, Inland Container Depot, Inland Rail Depot,

Container Maintenance Depot, Warehousing Facilities, Cold Storage Facilities and refrigerated cargo including processing, packaging, repackaging facilities, Railway Container Operations.

2. To maintain, built, equip, hire own, operate, transfer or otherwise, deal with ports, airport, airstrips, shipyards, jetties, harbours, docks, ship breaking, ship dismantling, ship repairs, ship refit, ship building, at any port in India or elsewhere and to carry on business of providing port services including handling of cargo in the form of solid, liquid, gaseous, containerized or in any other form and to provide any other services required by the users of the port in general and to provide services of all types and descriptions including charter hiring of supply vessels, tugs, anchors handling vessels ,barges and all types of vessels related to offshore drilling, deep water drilling, development drilling and production, to apply for and acquire by purchase, lease, hire or license, exchange or otherwise, mineral and petroleum rights, mine and mining rights, to undertake activities related to drilling, mining, bore for, raising, digging, working, quarry for getting, extracting , taking, pumping, transmitting and to carry on the business of inland and sea transport including, goods, passengers and mail, shippers, ship brokers, ship agents, ship underwriters, ship manager, tug owner, barge owners, insurance brokers, loading brokers, freight brokers, freight contractors, stevedores, warehouseman, wharfinger and building, assembling, fitting, repairing, servicing and managing ships, seagoing vessels and vessels for inland waterway and to carry on the business of storage, warehousing, transportation and handling of all kinds of cargo, including coal containerized, or not from any port station to any container freight station or to any inland container depot and freight carriers, transportation of goods, animals or passengers from place to place either by land or by air, rail ,sea, or partly by sea and partly by land or air, whether by means of motor vehicles and / or aeroplanes or other means of transport, and operate container freight stations, inland container depots activities, railway sidings and to own, lease, use container and deploy the containers in the business of international freight forwarding, by means of road, sea, transport and multimodal transport and to carry on the business of clearing & shipping agent, hirers, fleet owners of trucks, trailers, cranes, bulldozers and all types of earth moving equipments and machines and to enter into any contract, agreement, joint venture with the Central and State Governments, Foreign Government, Municipal Local authorities whether in India or elsewhere as the Company may deem fit on the basis of Build-Own-Lease-Transfer (BOLT), Built-Own-Operate-Transfer (BOOT), Built-Own-Operate (BOO) or such other methods and

to do investments in other companies for the purpose of carrying out the said objects of the Company.

3. To establish, organize, manage, run, charter, conduct, contract, develop, handle, own, operate and to do business as fleet carriers, transporters, in all its branches on land, air, water & space, for transporting goods, articles, or things on all routes and lines on National and International level subject to law in force through all sorts of carriers like trucks, lorries, trawlers, dumpers, coaches, tankers, tractors, haulers, jeeps, trailers, motor buses, omnibuses, motor taxies, railways, tramways, aircrafts, hovercrafts, rockers, space shuttles, ships, vessels, boats, barges and so on whether propelled by petrol, diesel, electricity, steam oil, atomic power or any other form of power and to carry on the business as agents, distributors, merchants, importers, exporters, traders, contractors, warehousemen and to establish, maintain, operate and/or run agency lines in goods, stores, consumable items, durable merchandise, chattels and effects of every kind and description in any place in the world and without limiting the generality of the above, to carry on business as Selling Agents, Buying Agents, Factors, Mukadams, Carriers, Jath Merchants, Landing Clearing and Forwarding Agents, Commission Agents, Insurance Agents, Distributors and Stockiest, Brokers and/ or in any other capacity and to carry on the business of clearing and forwarding agents, courier and cargo handlers, handling and haulage contractors, warehousemen, common carriers by land, rail, water and air, container agents, to handle goods and passengers within the country and outside and to carry on the business of tour and travel operators and to act as customs agents, wharfingers, landing agents, stevedores and longshoremen.

IV. HORIZON INFRASTRUCTURE LIMITED (hereinafter referred to as "HIL" or the "Transferee Company") was originally incorporated as a public limited company under the Companies Act, 1956 in the name of "Emerald Udyog Limited" on 21st April, 1983 in Calcutta. The Certificate of Commencement of Business was given on 20th May, 1983. Pursuant to a resolution passed in terms of section 21 of the Act, the name of HIL was changed from "Emerald Udyog Limited" to "Horizon Battery Technologies Limited" and a fresh Certificate of Incorporation consequent upon the change of name was issued on 25th March, 1994. Pursuant to a resolution passed in terms of section 21 of the Act, the name of HIL was further changed from "Horizon Battery Technologies Limited" to "Horizon Infrastructure Limited" and a fresh Certificate of Incorporation consequent upon the change of name was issued on 16th January, 2006. The Registered Office of HIL was changed from Calcutta in the State of West Bengal to Mumbai in the State of

Maharashtra, on 28th January, 2008. The present Registered Office of HIL is situated in the State of Maharashtra. The equity shares of HIL are listed on National Stock Exchange of India Limited ('NSE') and on the Calcutta Stock Exchange Limited ('CSE').

The main objects of HIL are as follows:

1. To create, build, construct, install, establish, erect, undertake, acquire, procure, lay down, commission, maintain, repair, own, operate, manage, control, administrate, lease, transfer, dispose, distribute, rent all types of infrastructure projects, facilities or works and to conceive, plan, survey, design, study and evaluate all steps, process, techniques and methods for setting up of infrastructure projects, facilities or works including roads, bridges, flyovers, highways, rail roads, railway station, platform yards, rail tracks, railway electrification, airports, seaports, power plant, berths, jetties, docks, bio technology park, recreation centers, entertainment park, marine structures of all types, water supply system, irrigation project, sanitation system, sewerage system, fire fighting system, warehousing, storage, telecommunication and transformation systems of all types, chemical, fertilizer and distillery plants, pumping stations, mass housing projects, industrial plants of all types, industrial/agricultural parks, technology parks, civil projects, environmental based projects and equipment, oil exproation projects on shore and offshore projects, electronics hardware technology, parks, school, colleges and other educational or vocational institutions, hospitals, health centers, community centers, public halls, theatres, gardens, parks, sports centers, museums, libraries, garages, hotels, holiday homes, resorts, motels and to render all services in connection thereto as designers, consultants, developers, agents, advisor, builders, architects, engineers and to act and to carry on the business as manufacturers, suppliers, dealers, stockiest, distributors of all types of plant, machinery, equipment's and other elated products, consumables and services in connection with the aforesaid activities and projects in India or anywhere else.
2. To enter into any contract, Agreements, Memorandum of Understanding, Joint Ventures, Arrangements or such other mode of Contracts with Government of India, State Governments, Foreign Governments, Municipal/Local Authorities, Bodies Corporate, Persons or such other Authorities whether in India or elsewhere as the Company may deem fit on the basis of Build-Own-Lease-Transfer (BOLT), Built-Own-Operate-Transfer (BOOT), Built-Own-Operate (BOO) or such other methods for the purposes of carrying out the objects of the Company.

(B) Preamble

This Scheme of Amalgamation and Arrangement between SKIL, HCWLL and FDLL with HIL (hereinafter referred to as "Scheme" or "the Scheme" or "this Scheme") provides for the amalgamation and arrangement between SKIL, HCWLL and FDLL with HIL pursuant to Sections 391 to 394 read with Sections 78, 100 to 104 and other applicable provisions of the Companies Act, 1956.

(C) Rationale for the Scheme of Amalgamation and Arrangement

The amalgamation of SKIL, HCWLL and FDLL with HIL is being proposed for the following purposes:

- i. Consolidation of business operations under one entity and to have better synergies, optimization of resources and fund raising capabilities.
- ii. Enhancing the scale of operations and reduction in and/or optimization in overheads costs, administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of various resources and also benefiting from economies of scale.
- iii. Improving the shareholders value, benefiting all shareholders / investors of all the companies as the amalgamated Company will have improved financial structure, larger cash flows and stronger consolidated revenue and profitability.
- iv. Consolidation of the managerial expertise of the companies involved thereby giving additional strength to the operations and management of the amalgamated Company.

In consideration of the above mentioned business rationale and related benefits, this Scheme of Amalgamation and Arrangement between SKIL, HCWLL and FDLL with HIL is being proposed in accordance with the terms set out hereunder.

(D) This Scheme is divided into the following parts:

- (a) Part I, which deals with the background, preamble and rationale of the Scheme;
- (b) Part II, which deals with the definitions and financial position of the Transferor Companies and HIL;
- (c) Part III, which deals with the merger of the Transferor Companies into HIL;

- (d) Part IV, which deals with the accounting treatment to the Transferor Companies and HIL under this Scheme; and
- (e) Part V, which deals with the general terms and conditions as applicable to this Scheme.

PART - II

1. DEFINITIONS

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

- 1.1 **“Act”** means the Companies Act, 1956 including any statutory modification, re-enactment or amendment thereof.
- 1.2 **“Appointed Date”** means 1st April, 2011.
- 1.3 **“Board of Directors”** in relation to respective Transferor Companies and/or HIL, as the case may be, shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the Board of Directors or such committee of directors;
- 1.4 **“Court”** or **“High Court”** means the Hon'ble High Court of Judicature at Bombay.
- 1.5 **“Effective Date”** means the later of the dates on which certified copies of the order of the High Court sanctioning the Scheme, with or without modification, under Section 394 of the Act are filed with the Registrar of Companies, Maharashtra at Mumbai after obtaining all the consents, approvals, permissions, resolutions, agreements, sanctions and orders as are hereinafter referred to. The last of such dates shall be the Effective Date for the purpose of this Scheme.
- 1.6 **“Record Date”** means the date on which the meeting of the Board of Directors of HIL is convened for adopting of the Scheme after filing of the requisite Form No. 21 with the Registrar of Companies, Maharashtra at Mumbai, pursuant to the sanctioning of the Scheme by the Hon'ble High Court of Judicature at Bombay.
- 1.7 **“Shareholders”** with reference to the Transferor Companies or HIL means persons holding equity shares in the said Companies in physical form or in electronic form and whose names are entered and registered as members in the Register of Members of the said Companies or whose names appear as the

beneficial owners of the equity shares in the records of the Depositories as on the Record Date.

- 1.8 **“Stock Exchanges”** shall have the same meaning as ascribed to it under the Securities Contract (Regulation Act), 1956, where the shares of the Transferee Company are listed.
- 1.9 The **“Scheme”** means this Scheme of Amalgamation and Arrangement in its present form submitted to the Hon’ble High Court for sanction with or without any modification(s) made under Clause 21 of this Scheme and/ or any modification(s) approved or imposed or directed by the said Hon’ble High Court.
- 1.10 **“Transferee Company”** or **“Transferee”** or **“HIL”** means Horizon Infrastructure Limited, a Company incorporated under the Companies Act, 1956, having its registered office at SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400023, Maharashtra, India.
- 1.11 **“1st Transferor Company”** or **“SKIL”** means SKIL Infrastructure Limited, a Company incorporated under the Companies Act, 1956, having its registered office at SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400023, Maharashtra, India.
- 1.12 **“2nd Transferor Company”** or **“HCWLL”** means Horizon Country Wide Logistics Limited, a Company incorporated under the Companies Act, 1956, having its registered office at SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400023, Maharashtra, India.
- 1.13 **“3rd Transferor Company”** or **“FDLL”** means Fastlane Distriparks & Logistics Limited, a Company incorporated under the Companies Act, 1956, having its registered office at SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400023, Maharashtra, India.
- 1.14 **“Undertaking”** means and includes:
- a. all the assets and properties of the Transferor Companies as on the Appointed Date i.e. all the undertakings, the entire business, all the properties (whether movable or immovable – freehold or leasehold, tangible or intangible), including the land and other properties belonging to the Special Economic Zones and Free Zones whether in India or elsewhere, plant and machinery, buildings and structures, offices, residential and other premises, capital work in progress, furniture, fixture, office equipment, appliances, accessories, power lines, deposits, stocks,

assets, investments of all kinds and in all forms including but not limited to securities, securitized assets, receivables and security receipts, cash balances with banks, loans, advances, contingent rights or benefits, agreements, rights, contracts / agreements with Clients, entitlements, permits, licences including branch or other licences and those belonging to the Special Economic Zones and Free Zones, whether in India or elsewhere, quotas, approvals, consents, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, special status, engagements, arrangements and all other privileges and benefits of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to business activities and operations of the Transferor Companies, receivables, benefit of any deposits, financial assets, leases, hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permissions, permits, quotas, rights, entitlements, guarantees, authorizations, approvals, agreements, contracts, leases, registrations, tenancies, benefits of all taxes including but not limited to Minimum Alternate Tax ("MAT") paid under Section 115JA/115JB of the Income Tax Act, 1961 ("IT Act"), advance taxes and tax deducted at source, right to carry forward and set off unabsorbed losses and depreciation, MAT credit under the provisions of the IT Act, right to claim deductions under Section 80-IA of the IT Act including its continuing benefits; engagements, arrangements of all kinds, exemptions, benefits, incentives, privileges and rights under State tariff regulations and under various laws; loan agreements, titles, interests, trade and service names and marks, patents, copyrights, and other intellectual property rights to use and avail of telephones, telexes, facsimile, email, interest, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records, and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies or which have accrued to the Transferor Companies as on the Appointed Date, whether in India or abroad, of whatsoever nature and where-ever situated, (hereinafter referred to as the "Assets");

- b. all the debts, liabilities, contingent liabilities, duties and obligations of the Transferor Companies as on the Appointed Date (hereinafter referred to as the "Liabilities");
- c. without prejudice to the generality of sub-Clause (a) above, the Undertaking of the Transferor Companies shall include all the Transferor Companies Reserves, the movable and immovable properties, assets, consents, registrations, agreements, contracts, engagements, arrangements of all kinds, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in ownership, power or possession or in control of or vested in or granted in favour of or enjoyed by the Transferor Companies or to which the Transferor Companies may be entitled and include but without being limited to trade and service names and service marks and other intellectual property of any nature whatsoever, permits, approvals, authorizations, rights to use and avail of telephone, telex, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, all necessary records, files, papers, computer programs, lease and hire purchase contracts, lease-hold rights, tenancy rights, industrial and other licenses, permits, authorizations, quota rights, trade marks, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile and other communication facilities, rights and benefits of all agreements, guarantees including guarantees given by the State Government(s), deeds, bonds, insurance policies and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature and wheresoever situate, belonging to or in the ownership, power or possession or in the control of or vested in or granted in favor of or enjoyed by the Transferor Companies whether in India or abroad, as on the Appointed Date;
- d. all permanent employees directly or indirectly engaged by the Transferor Companies at various locations who are willing to become employees of HIL;
- e. all earnest monies and/or security deposits paid by the Transferor Companies.

2. SHARE CAPITAL

2.1 The Authorised, Issued, Subscribed and Paid-up share capital of the Transferor Companies:

(a) The share capital of SKIL as on 31st March, 2011 is as under: -

Particulars	Amount (Rs)
Authorized Capital	
35,00,00,000 Equity shares of Rs. 10/- each	350,00,00,000
20,000 0% Fully Convertible Preference shares of Rs. 1,00,000/- each	200,00,00,000
Issued and Subscribed Capital	
25,50,55,995 Equity shares of Rs. 10/- each	2,550,559,950
20,000 0% Fully Convertible Preference shares of Rs. 1,00,000/- each	200,00,00,000
Paid up Capital	
25,50,18,785 Equity shares of Rs. 10/- each	255,01,87,850
20,000 0% Fully Convertible Preference shares of Rs. 1,00,000/- each	200,00,00,000

Subsequent to 31st March, 2011:

- i) The authorized share capital of Rs. 2,00,00,00,000/- divided into 20,000 0% Fully Convertible Preference shares of Rs. 1,00,000/- each was reclassified into 20,00,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 2,00,00,00,000/- .
- ii) The Company has issued and allotted 46,146,466 Equity shares of Rs. 10/- each on different dates, thus the share capital has been increased to Rs. 301,16,52,510/-.

After the above changes, the share capital of SKIL as on date is as under:

Particulars	Amount (Rs)
Authorized Capital	
55,00,00,000 Equity shares of Rs. 10/- each	550,00,00,000
Issued, Subscribed and Paid up Capital	
30,11,65,251 Equity shares of Rs. 10/- each	301,16,52,510

(b) The share capital of HCWLL as on 31st March, 2011 and as on date is as under: -

Particulars	Amount (Rs)
Authorized Capital	
21,00,00,000 Equity shares of Rs. 10/- each	210,00,00,000
Issued, Subscribed and Paid up Capital*	
13,64,09,710 Equity shares of Rs. 10/- each	136,40,97,100

* Out of the above 6,32,95,494 Equity Shares are held by SKIL, the Promoter Company.

(c) The share capital of FDLL as on 31st March, 2011 and as on date is as under: -

Particulars	Amount (Rs)
Authorized Capital	
7,50,00,000 Equity shares of Rs. 10/- each	75,00,00,000
Issued, Subscribed and Paid up capital*	
7,41,79,117 Equity shares of Rs. 10/- each	74,17,91,170

* Out of the above 3,85,73,134 Equity Shares are held by HCWLL, the Holding Company.

2.2 The Authorised, Issued, Subscribed and Paid-up share capital of HIL as on 31st March, 2011 and as on date is as under:

Particulars	Amount (Rs)
Authorized Capital	
7,50,00,000 Equity shares of Rs. 10/- each	75,00,00,000
Issued, subscribed and paid up capital	
1,07,40,000 Equity shares of Rs. 10/- each	10,74,00,000

There has been no change in the authorized, issued, subscribed and paid up share capital of HIL from 31st March, 2011 to the present date.

2.3 The existing equity shares of HIL are listed on National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited. The equity shares of the Transferor Companies are not listed on any Stock Exchanges.

2.4 **Financial Position:**

The summarized financial position of the Transferor Companies and HIL as per their respective Audited Accounts as on 31st March, 2011 is as under:-

SKIL or 1st Transferor Company

Particulars	Amount as at 31st March, 2011 (in Rs.)	
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	11,99,02,152	
Less: Depreciation	7,93,77,546	
Net Block	4,05,24,606	
Capital Work In Progress	4,74,87,500	8,80,12,106
INVESTMENTS		27,44,01,70,576
CURRENT ASSETS, LOANS & ADVANCES		
Sundry Debtors	14,06,76,440	
Cash and Bank Balances	6,35,85,347	
Loans and Advances	2,47,28,07,878	
	2,67,70,69,665	
LESS: CURRENT LIABILITIES & PROVISIONS		
Current Liabilities	2,71,75,11,875	
Provisions	2,25,16,495	
	2,74,00,28,370	
NET CURRENT ASSETS		(6,29,58,705)
PROFIT & LOSS ACCOUNT		
		1,59,42,83,355
	TOTAL	29,05,95,07,332
SOURCE OF FUNDS		
Share Capital		4,55,01,87,850
Reserves and Surplus		10,60,79,25,563
Share Application Money Pending Allotment		1,33,95,600
Secured Loans		13,88,79,98,319
	TOTAL	29,05,95,07,332

HCWLL or 2nd Transferor Company

Particulars	Amount as at 31st March, 2011 (in Rs.)	
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	5,67,13,462	
Less: Depreciation	35,32,159	
Net Block	5,31,81,303	
Capital Work In Progress	79,19,02,236	84,50,83,539
INVESTMENTS		
		85,37,30,740
CURRENT ASSETS, LOANS & ADVANCES		
Cash and Bank Balances	2,31,02,587	
Loans and Advances	24,20,66,983	
	26,51,69,570	
LESS: CURRENT LIABILITIES & PROVISIONS		
Current Liabilities	58,78,156	
Provisions	6,69,308	
	65,47,464	
NET CURRENT ASSETS		25,86,22,106
PROFIT & LOSS ACCOUNT		
		34,08,391
	TOTAL	1,96,08,44,776
SOURCE OF FUNDS		
Share Capital		1,36,40,97,100
Reserves and Surplus		59,60,05,316
Secured Loans		7,42,360
	TOTAL	1,96,08,44,776

FDLL or 3rd Transferor Company

Particulars	Amount as at 31st March, 2011 (in Rs.)	
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	39,22,96,501	
Less: Depreciation	3,41,758	
Net Block	39,19,54,743	
Capital Work In Progress	1,11,13,39,195	1,50,32,93,938
CURRENT ASSETS, LOANS & ADVANCES		
Cash and Bank Balances	1,86,34,026	
Loans and Advances	20,12,322	
	2,06,46,348	
LESS: CURRENT LIABILITIES & PROVISIONS		
Current Liabilities	2,68,043	
Provisions	1,17,494	
	3,85,537	
NET CURRENT ASSETS		2,02,60,811
PROFIT & LOSS ACCOUNT		15,94,261
MISCELLANEOUS EXPENDITURE		10,91,045
	TOTAL	1,52,62,40,055
SOURCE OF FUNDS		
Share Capital		74,17,91,170
Secured Loans		66,84,48,885
Unsecured Loans		11,60,00,000
	TOTAL	1,52,62,40,055

HIL or Transferee Company

Particulars	Amount as at 31st March, 2011 (in Rs.)	
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	2,17,91,564	
Less: Depreciation	1,24,97,705	
Net Block	92,93,859	
Capital Work In Progress	12,89,46,666	13,82,40,525
INVESTMENTS		
		19,36,10,229
CURRENT ASSETS, LOANS & ADVANCES		
Sundry Debtors	17,99,15,436	
Cash and Bank Balances	2,63,19,372	
Advance & Deposit	2,45,22,32,591	
	2,65,84,67,399	
LESS: CURRENT LIABILITIES & PROVISIONS		
Current Liabilities	25,43,67,615	
Provisions	7,43,38,828	
	32,87,06,443	
NET CURRENT ASSETS		2,32,97,60,956
DEFERRED TAX ASSET		10,15,711
MISCELLANEOUS EXPENDITURE		60,99,643
TOTAL		2,66,87,27,064
Source of Funds		
Share Capital		10,74,00,000
Reserves and Surplus		15,61,13,075
Secured Loans		2,00,52,13,989
Unsecured Loans		40,00,00,000
TOTAL		2,66,87,27,064

PART - III

3. TRANSFER AND VESTING

- 3.1 With effect from the Appointed Date and upon this Scheme coming into effect, the Transferor Companies shall stand amalgamated with and be vested in the HIL, as a going concern, without any further act or instrument and pursuant to the provisions of Sections 391 to 394 read with Sections 78, 100 to 104 of the Act, together with all the properties, assets, rights, liabilities including contingent liabilities, benefits and interest therein, as more specifically described in the subsequent clauses of this Scheme.
- 3.2 With effect from the Appointed Date, the entire business and the whole of the Undertaking of the Transferor Companies shall, without any further act or deed, be and shall stand transferred to and vested in or deemed to have been transferred to or vested in HIL as a going concern, pursuant to the provisions of Sections 391 to 394 read with Sections 78, 100 to 104 and other applicable provisions of the Act. PROVIDED ALWAYS that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Companies which shall vest in HIL by virtue of this amalgamation and arrangement and HIL shall not be obliged to create any further or additional security after the amalgamation and the arrangement has become effective or otherwise. The transfer/vesting as aforesaid shall be subject to the existing charges/hypothecation over or in respect of the Assets or any part thereof of the Transferor Companies. Further, HIL shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed /to be availed by the Transferor Companies or HIL. Similarly, the promoters shall not be required to provide additional collateral security by way of pledge of their shareholding in the Transferor Companies/HIL.
- 3.3 With effect from the Appointed Date, and subject to any corrections and adjustments as may be required, in the opinion of the Board of Directors of HIL, the Reserves and Surplus if any, of the Transferor Companies will be merged with those of HIL in the same form and nomenclature as they appeared in the financial statements of the Transferor Companies, except as stated elsewhere in the Scheme.
- 3.4 Any legal or other proceedings by or against Transferor Companies pending on the Effective Date and relating to the Undertaking (including property rights, powers, liabilities, obligations and duties) of Transferor Companies shall be continued and enforced by or against HIL, in the same manner and to the same extent as it would or might have been continued and enforced by or against the Transferor Companies.

- 3.5 It is expressly provided that in respect of such of the assets of the Transferor Companies as are moveable in nature or are otherwise capable of being transferred by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Companies by physical delivery and shall become the property of HIL pursuant to the provisions of Sections 394 of the Act.
- 3.6 In respect of such of the Assets other than those referred to in sub-Clause 3.5 above, they shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in HIL pursuant to the provisions of Sections 391 to 394 of the Act and shall form an integral part of the Undertaking.
- 3.7 HIL may, 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 in favour of any party to any contract or arrangement to which the Transferor Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. HIL shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies to carry out or perform all such formalities or compliance referred to above on the part of the Transferor Companies to be carried out or performed.
- 3.8 With effect from the Appointed Date, all liabilities, debts, duties and obligations in the Transferor Companies as the promoters shall, stand transferred and vested in HIL as the promoters defined under regulations issued or framed by regulatory authorities including Securities and Exchange Board of India, Registrar of Companies, Maharashtra at Mumbai, Ministry of Corporate Affairs, Stock Exchanges and all the agreements, documents, memorandum of understanding(s), contracts and the like executed by the Transferor Companies. For the sake of clarity, it is hereby clarified that HIL shall be deemed to be the promoter(s) with respect to the liabilities, debts, duties and obligations of the Transferor Companies.
- 3.9 Upon the coming into effect of the Scheme, benefits of all taxes paid including but not limited to MAT paid under Section 115JA/115JB of the IT Act, advance taxes and tax deducted at source, right to carry forward and set off unabsorbed losses and depreciation, MAT credit under the provisions of the IT Act, right to claim deductions under Section 80-IA of the IT Act including its continuing benefits, by the Transferor Companies from the Appointed Date, regardless of the period to which they relate, shall be deemed to have been paid for and on behalf of and to the credit of HIL as effectively as if HIL had paid the same and shall be deemed to be the rights/claims of HIL. All unavailed credits, set offs, claims for refunds under

any State VAT Acts, CST Acts, Central Excise and Service Tax provisions or any other State or Central statutes regardless of the period to which they may relate, shall stand transferred to the benefit of and shall be available in the hands of HIL without restrictions under the respective provisions.

- 3.10 All secured and unsecured debts, (whether in Rupees or in foreign currency), all liabilities whether provided for or not in the books of the Transferor Companies, duties and obligations of the Transferor Companies alongwith any charge, encumbrance, lien or security thereon (hereinafter referred to as the "said Liabilities") shall be and stand transferred to and vested in or deemed to have been transferred to and vested in HIL pursuant to the applicable provisions of the Act, so as to become on and from the Appointed Date the debts, liabilities, duties and obligations of HIL, and further 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. It is clarified that in so far as the assets of the Transferor Companies is concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Companies shall without any further act or deed continue to relate to such assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of HIL, save to the extent warranted by the terms of the existing security arrangements to which any of the Transferor Companies and HIL are parties, and consistent with the joint obligations assumed by them under such arrangement.
- 3.11 All the properties including freehold & leasehold properties, leases, estates, assets, rights, titles, interests, benefits, licenses, approvals, permissions and authorities etc. as described in Clause 1.14 (a) accrued to and/or acquired by the Transferor Companies after the Appointed Date, shall have been and deemed to have accrued to and/or acquired for and on behalf of HIL and shall, upon the coming into effect of the Scheme, pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in HIL to that extent and shall become the properties, leases, estates, assets, rights, titles, interests, benefits, licenses, approvals, permissions and authorities etc. of HIL.
- 3.12 All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Companies after the Appointed Date, shall be deemed to have been raised, used, incurred or undertaken for and on behalf of HIL and to the extent they are outstanding on the Effective Date upon the coming into effect of the Scheme shall be and stand transferred to or vested in or be deemed to have been transferred to and vested in

HIL pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, and shall become the debt, duties, undertakings, liabilities and obligations of which shall meet, discharge and satisfy the same.

- 3.13 All inter party transactions between the Transferor Companies and HIL as may be outstanding on the Appointed Date or which may take place subsequent to the Appointed Date and prior to the Effective Date, shall be considered as intra party transactions for all purposes from the Appointed Date. Any loans or other obligations, if any, due inter-se i.e. between the Transferor Companies and HIL as on the Appointed Date, and thereafter till the Effective Date, shall stand automatically extinguished.
- 3.14 Upon the coming into effect of the Scheme, the guarantee provided by any of the Transferor Companies would be continued and deemed to be provided by HIL limited to the extent and subject to the same terms and conditions as the guarantee provided by the Transferor Companies.
- 3.15 Upon the coming into effect of the Scheme, the guarantor of any loan taken by the Transferor Companies would be deemed to be guarantor of HIL to the extent of the loan due to the Transferor Companies and subject to the terms and conditions of the guarantee provided to the Transferor Companies. Provided that the guarantor is informed regarding the merger of the Transferor Companies by way of a notice prior to filing of the same in the High Court.

4. ALTERATIONS/ AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE HIL

4.1. OBJECTS CLAUSE

- 4.1.1 Upon the Scheme becoming effective, the Main object clause of the Memorandum of Association of HIL shall stand amended / altered by replacing the following clauses in place of Clause III (A) (1) and (2) of the Memorandum of Association of HIL and approval by the shareholders to the Scheme shall be deemed to be their consent to the alteration of the Memorandum of Association pursuant to Section 17 and 394 and all other applicable provisions, if any, of the Act:

1. "To create, finance, build, construct, install, establish, erect, undertake, acquire, procure, lay down, commission, maintain, repair, own, operate, manage, control, administrate, lease, transfer, dispose, distribute, rent all types of infrastructure and related projects, facilities or works and activities including Special Economic Zones, Free Zones, logistics parks and to conceive, plan, survey, design, study evaluate and take all steps, process,

techniques and methods for setting up of infrastructure projects, facilities or works including roads, bridges, flyovers, highways, roadways and other related structures, rail roads, railway stations, platforms, railway yards/sidings, rail tracks, railway electrification, airports, airstrips, wells, dams, canals, reservoirs, water ways, marine structures, ship breaking, ship dismantling, ship repairs, ship refit, ship building at any port in India or elsewhere, shipyards, seaports, costal shipping, ro-ro services, power plants, berths, jetties, docks, bio technology parks, recreation centers, entertainment parks, gardens, marine structures of all types, water supply systems, irrigation projects, sanitation system, sewerage system, fire fighting system, warehousing, storage, telecommunication and transformation systems of all types, chemical, fertilizer and distillery plants, Liquid Petroleum Gas, Liquid Natural Gas and all type of petroleum products, handling and storage plants and terminals, pumping stations, Gas pipeline projects and other pipeline projects, oil and gas exploration, development production including transportation, sale and refining hydrocarbons, airport facility including Maintenance and Repair Organisation (MRO), mass housing projects, industrial plants of all types, industrial/agricultural parks, civil projects, environmental based projects and equipment, electronics hardware technology aerospace, parks, school, colleges and other educational or vocational institutions, hospitals, health centers, community centers, public halls, theatres, gardens, parks, sports centers, museums, libraries, garages, hotels, holiday homes, resorts, motels and to render all services in connection thereto as designers, developers, agents, advisor, builders, architects, engineers and to act and to carry on the business as manufacturers, suppliers, dealers, stockiest, distributors of all types of plant, machinery, equipments and other related products, consumables and services in connection with the aforesaid activities and projects as may be defined by the government from time to time as infrastructure activities and to do investments and provide consultancy in the aforesaid related activities carried in India or abroad.

2. To enter into any contract, Agreements, Memorandum of Understanding, Joint Ventures, Arrangements, Collaboration or such other mode of Contracts with Government of India, State Governments, Foreign Governments, Municipal/Local Authorities, Bodies Corporate, of Indian/Foreign origin Persons or such other Authorities whether in India or elsewhere as the Company may deem fit on the basis of Build-Own-Lease-Transfer (BOLT), Built-Own-Operate-Transfer (BOOT), Built-Own-Operate (BOO) or such other methods for the purpose of carrying out the objects of the Company.

3. To generate, accumulate, transmit, distribute, purchase, manufacture, produce, sell and supply electricity, power or any other energy from conventional or non-conventional energy sources including but not limited to coal, gas, lignite, oil, biomass, waste, thermal, solar, hydel, geo-hydel, wind and tidal waves on commercial basis and to undertake the business of managing, owning, controlling, erecting, commissioning, operating, running, leasing or transferring power plants based on conventional or non-conventional energy sources, and similar projects and to do investment in companies to manage, produce, including mining of coal and other natural resources, engaging in offshore and/or onshore production of oil and gas and related activities, mineral and petroleum rights, mine and mining rights, undertake activities related to drilling, mining, bore for raising, digging, working, quarry for getting, extracting and to deal in carbon credits and also to apply for such license, approval as may be required for selling CERs (carbon credit) to any country, agencies and statutory bodies and also to companies in India or abroad, and to enter into agreements with Government and Statutory Authorities including State and Central Government agencies either in India or abroad.
4. Either on its own or through any of its subsidiaries or in association with any Indian or foreign agency, individual, firm, company or government undertaking, to invest in and to be engaged in all aspects of the defence and defence production business, including acting as managers and consultants and availing of defence and aerospace business opportunities including opportunities created by offset obligations in India of foreign suppliers.

The following objects will be added after the existing clause 40 in the Memorandum of Association of HIL under the head "Part C – The Other Objects for which the Company is established are" and will be numbered as:

41. To build, operate, run, manage and provide logistics support for movement of cargo, goods, container, door-to-door facilities and to create, build, construct, undertake, acquire, maintain, run, operate, provide, manage, control, administer, lease, transfer all types of infrastructure projects, facilities or works for logistics projects including Free Trade Warehousing Zone(FTWZ), Container Maintenance Depot(CMD), Container yard, refrigerated cargo including processing, packaging, repackaging facilities and special category of Special Economic Zones (SEZ) Container Freight Stations, Inland Container Depot, Inland Rail Depot, Private Freight Terminals, Container Freight Depot, Air Cargo Complexes, Multimodal Logistics Parks, Warehousing Facilities, Cold Storage Facilities, Railway Container Operations and to carry on the business of Import, Export, Manufacturing and Trading of

Marine Spares, General Machinery parts, economizer Steel Studded Tubes & Aluminium Guild Tubes and to carry on business of providing port services including handling of cargo in the form of solid, liquid, gaseous, containerized or any other form of services required by the users of the port in general and to provide the services of all types of description including charter hiring of supply vessels, tugs, anchors handling vessels, barges and all types of vessels related to offshore drilling, deep water drilling, development drilling and production, to apply for and acquire by purchase, lease, hire or license, exchange or otherwise.

42. To establish, organize, manage, run, charter, conduct, contract, develop, handle, own, operate and to do business as transport contractors, freight contractors, hadage contractors, chatterers of road vehicles, fleet carriers, common carriers, transporters, in all its branches on land, air, water, & space or partly by sea and partly by land or air, for transporting goods, articles, animals or passengers or things on all routes and lines on National and International level subject to law in force through all sorts of carries like trucks, lorries, trawlers, dumpers, coaches, tankers, tractors, haulers, jeeps, trailers, motor buses, omnibuses, motor taxies, railways, tramways, aircrafts, hovercrafts, rockers, space shuttles, ships, vessels, boats, barges and such other means of transport and so on propelled and run by any form of power and to own, lease, use, container and deploy the container in the business of International Freight Forwarding by means of road, sea, transport and multi model transport and to carry on the business of clearing and shipping agents, hirers, freight owners of trucks, trailers, cranes, bulldozers and all types of earth moving equipments and machines, distributors, merchants, importers, exporters, traders, contractors, warehousemen and to establish, maintain, operate and/or run agency lines in goods, stores, consumable items, durable merchandise, chattels and effects of every kind and description in any place in the world and without limiting the generality of the above, to carry on business as Selling Agents, Buying Agents, Factors, Mukadams, Carriers, Jath Merchants, Landing Clearing and Forwarding Agents, customs agents, wharfingers, landing agents, stevedores and longshoremen, Commission Agents, Insurance Agents, Distributors and Stockiest, Brokers including ship broker, ship underwriters, ship manager, tug owner, barge owners, loading brokers and/ or in any other capacity, courier and cargo handlers, handling and haulage contractors and outside tour and travel operators.”

4.2. **CAPITAL CLAUSE**

- 4.2.1 Upon the Scheme becoming effective, the Authorised Share Capital of the Transferor Companies shall stand transferred to HIL without any further act,

instrument or deed and without payment of any fees, stamp duty, etc. Thus, the Authorised Share Capital of the Transferor Companies amounting to Rs. 550,00,00,000/- (Rupees Five Hundred and Fifty Crores Only) divided into 55,00,00,000 (Fifty Five Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each of SKIL, Rs. 210,00,00,000/- (Rupees Two Hundred and Ten Crores Only) divided into 21,00,00,000 (Twenty One Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each of HCWLL and Rs. 75,00,00,000/- (Rupees Seventy Five Crores Only) divided into 7,50,00,000 (Seven Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each of FDLL shall be added to/combined with the Authorised Share Capital of HIL.

4.2.2 Consequently, Clause V of the Memorandum of Association and Article 3 of the Articles of Association of HIL (relating to the Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified, amended and the consent of the shareholders to the scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under sections 16, 31, 94 and 394 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Companies on its Authorised Share Capital shall be utilized and applied to the increased share capital of HIL, and shall be deemed to have been so paid by HIL on such combined authorised share capital and there would be no requirement for any further payment of stamp duty and/or fees by HIL for increase in Authorised Share Capital to that extent. The resolution approving the Scheme shall be deemed to be the approval of increase in the Authorised Share Capital of HIL under Section 94 and other applicable provisions of the Act.

4.2.3 Clause V of the Memorandum of Association of HIL shall on the Effective Date be substituted by the following new clause:

V. The Authorised Share Capital of the Company is Rs. 910,00,00,000/- (Rupees Nine Hundred and Ten Crores Only) divided into 91,00,00,000 (Ninety One Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each capable of being increased or reduced in accordance with the Company's regulations and the legislative provisions for the time being in force in that behalf.

4.2.4 Article 3 of the Articles of Association of HIL shall on the Effective Date, also be substituted by the following new article:

3. The Authorised Share Capital of the Company is Rs. 910,00,00,000/- (Rupees Nine Hundred and Ten Crores Only) divided into 91,00,00,000 (Ninety One Crores) Equity Shares of Rs. 10/- (Rupees Ten Only) each. The Company may from time to time by Special Resolution increase its authorised share capital by such sum and to be divided into shares of such amount as may be specified in the resolution.
- 4.2.5 Without prejudice to the aforesaid, HIL shall be entitled to take steps for further increase of its Authorized Capital, if and to the extent required, consequent to the Scheme being effective and/or pursuant to any existing obligation of HIL or otherwise.
- 4.3. **NAME CLAUSE**

Consequent to the amalgamation and the arrangement and upon the Scheme becoming effective, the name of HIL shall be changed from “**Horizon Infrastructure Limited**” to “**SKIL Infrastructure Limited**” without following any further procedure or doing any further act or thing as may be required under the provisions of the Act as HIL shall carry on the entire business of the Transferor Companies. HIL shall take necessary steps to give effect to such change of name.
- 4.4. Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alterations viz. Changes in the Object Clause, Capital Clause and Name Clause referred above, shall become operative on the Scheme being effective by virtue of the fact that the Shareholders of HIL, while approving the Scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 16, 17, 21, 31, 94 and 97 of the Companies Act, 1956 or any other provisions of the Act and the Company shall not be required to pass separate resolutions as required under the Act.
- 4.5. Upon the Scheme being effective, HIL shall be entitled to commence and carry on the business and activities currently being carried on by the Transferor Companies, without any further act or deed with effect from the appointed date. It is clarified that there will be no need to pass a separate Shareholders' resolution as required under Section 149(2A) of the Act.
5. **ISSUE AND ALLOTMENT OF SHARES BY HIL**
 - 5.1 Upon the Scheme coming into effect and in consideration of the transfer of all the assets and liabilities of the Transferor Companies to HIL in terms of the Scheme, HIL shall subject to the provisions of the Scheme and without any further application, act or deed, issue and allot equity shares of HIL of the face value of Rs.10/- (Rupees Ten Only) each credited as fully paid-up in the capital of HIL to the shareholders or their heirs, executors, administrators or other legal representatives or their successors in title as the case may be of the Transferor

Companies whose names are recorded in its Register of Members on a date (Record Date) to be fixed by the Board of Directors of HIL in the following manner:

- 5.1.1 In case of SKIL, in the ratio of 11 (Eleven) Equity Shares of face value of Rs.10/- (Rupees Ten Only) each fully paid up in HIL for every 19 (Nineteen) Equity Shares of the face value of Rs. 10/- (Rupees Ten Only) each fully paid up in SKIL. The shares, if any, held by HIL in SKIL shall stand cancelled automatically and no fresh shares will be issued in lieu of those shares.
- 5.1.2 In case of HCWLL, in the ratio of 10 (Ten) Equity Shares of face value of Rs.10/- (Rupees Ten Only) each fully paid up in HIL for every 68 (Sixty Eight) Equity Shares of the face value of Rs. 10/- (Rupees Ten Only) each fully paid up in HCWLL. The shares, if any, held by HIL in HCWLL shall stand cancelled automatically and no fresh shares will be issued in lieu of those shares.
- 5.1.3 In case of FDLL, in the ratio of 10 (Ten) Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each fully paid up in HIL for every 65 (Sixty Five) Equity Shares of the face value of Rs. 10/- (Rupees Ten Only) each fully paid up in FDLL. The shares, if any, held by HIL in FDLL shall stand cancelled automatically and no fresh shares will be issued in lieu of those shares.
- 5.2 The aforesaid share exchange ratio has been approved by the Board of Directors of Transferor Companies and HIL as being a fair share exchange ratio as recommended by a reputed independent firms of Chartered Accountants viz. M/s. SSPA & Co., Chartered Accountants and M/s. Sarda & Pareek, Chartered Accountants, vide their joint Valuation Report dated 10th September,2012.
- 5.3 Insofar as the equity shares of HCWLL held by SKIL are concerned, the said equity shares of HCWLL shall not get cancelled but shall, pursuant to this Scheme, on the Scheme becoming effective, stand transferred to and vested in the Trust to be settled by SKIL ("the HCWLL Trust") after moving the petition under Rule 79 of the Companies (Court) Rules, 1959, in the High Court and before the date fixed for hearing of the said petition, and the said equity shares of HCWLL shall be held by the trustees of the HCWLL Trust and subject to the said equity shares of HCWLL being continued to be held by the said Trust on the Record Date. The beneficiaries of the HCWLL Trust will be the Shareholders of HIL in the HCWLL Trust and the promoters of HCWLL who have pledged their shares will also form part of the HCWLL Trust. HIL shall, without any further application, act, instrument or deed, issue New Equity Shares of HIL in lieu of HCWLL shares in the share exchange ratio specified in Clause 5.1.2 above to the trustees of HCWLL Trust who shall hold such shares with all additions or accretions thereto in Trust for the benefit of HIL, being the successor to SKIL, and its successor or successors subject to the powers, provisions, discretions, rights and agreements contained in the HCWLL Trust Deed on such terms and conditions as may be set out in the HCWLL Trust Deed. It is proposed that the HCWLL trust may, subject to the prevailing market conditions, sell, transfer or dispose off the shares held at such time or times and in such manner as may be proper in accordance with the provision of the Trust Deed and shall remit the

proceeds thereof to HIL. The obligation of the trust shall stand discharged and the Trust shall stand terminated in accordance with the provision of Trust Deed.

- 5.4 Insofar as the equity shares of FDLL held by HCWLL are concerned, the said equity shares of FDLL shall not get cancelled but shall, pursuant to this Scheme, on the Scheme becoming effective, stand transferred to and vested in the Trust to be settled by HCWLL ("the FDLL Trust") after moving the petition under Rule 79 of the Companies (Court) Rules, 1959, in the Bombay High Court and before the date fixed for hearing of the said petition, and the said equity shares of FDLL shall be held by the trustees of the FDLL Trust and subject to the said equity shares of FDLL being continued to be held by the said Trust on the Record Date. The beneficiaries of the FDLL Trust will be the Shareholders of HIL in the FDLL Trust and the promoters of FDLL who have pledged their shares will also form part of the FDLL Trust. HIL shall, without any further application, act, instrument or deed, issue New Equity Shares of HIL in lieu of FDLL shares in the share exchange ratio specified in Clause 5.1.3 above to the trustees of FDLL Trust who shall hold such shares with all additions or accretions thereto in Trust for the benefit of HIL, being the successor to HCWLL, and its successor or successors subject to the powers, provisions, discretions, rights and agreements contained in the FDLL Trust Deed on such terms and conditions as may be set out in the FDLL Trust Deed FDLL trust may, subject to the prevailing market conditions, sell, transfer or dispose off the shares held at such time or times and in such manner as may be proper in accordance with the provision of the Trust Deed and shall remit the proceeds thereof to HIL. The obligation of the trust shall stand discharged and the Trust shall stand terminated in accordance with the provision of Trust Deed.
- 5.5 No fractional certificates shall be issued by HIL in respect of the fractional entitlement, if any, to which the equity shareholders of Transferor Companies may be entitled on issue and allotment of equity shares of HIL as aforesaid. The Board of Directors of HIL shall, in their absolute discretion, consolidate all such fractional entitlements and accordingly will be paid off in respective fractional entitlement to the shareholders of Transferor Companies.
- 5.6 The Equity Shares so issued by HIL in exchange for the equity shares of the Transferor Companies shall rank *pari passu* in all respects, including dividend declared after the date of allotment, with the existing Equity Shares of HIL.
- 5.7 The issue and allotment of new equity shares by HIL to the shareholders of the Transferor Companies as provided in the Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 81(1A) and any other applicable provisions of the Act were duly complied with. The resolution/consent of the shareholders approving the Scheme shall be treated as due compliance of the procedure laid down in Section 81(1A) of the said Act.
- 5.8 Upon this Scheme becoming effective, all the Shareholders of the Transferor Companies who exercise the option to receive shares in dematerialized form, shall be issued new shares of HIL in dematerialized form, provided all details

relating to their depository account with the depository participant are made available to HIL, who shall issue and directly credit the dematerialized securities account of such Shareholder with the equity shares of HIL and all the shareholders of the Transferor Companies holding shares in physical form, if so required by HIL shall surrender their share certificates for cancellation thereof to HIL. Notwithstanding anything to the contrary, upon the new shares in HIL being issued and allotted by it to the shareholders of the Transferor Companies whose names shall appear on the Register of Members of the Transferor Companies on such Record Date fixed as aforesaid, the share certificates in relation to the shares held by them in the Transferor Companies in physical form shall be deemed to have been automatically cancelled and be of no effect, on and from such Record Date, and HIL may at its sole discretion, instead of requiring the surrender of the share certificates, as above, directly issue and dispatch the new share certificates of HIL in lieu thereof.

- 5.9. Issue of shares as per clause 5.1 above of the scheme to Non Resident Indians (NRIs), Foreign Institutional Investors (FIIs), Foreign Venture Capital Investors and Foreign shareholders, same shall be subject to the approval of Reserve Bank of India and other competent authorities as may be applicable.
- 5.10 Before the scheme coming into effect, the holding of 50000 shares in HIL by SKIL as on date shall be transferred / sold to the person(s) in promoter and promoter group of HIL or in the open market, subject to compliance of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or such other rules and regulations as may be applicable.

6. PLEDGE OF SHARES

Upon the Scheme finally coming into effect without any act, matter, deed or thing or following any other procedure under the Act:

- 6.1 The existing pledge of shares by the promoters and shareholders of SKIL and other Transferor Companies as a guarantee / security to banks, financial institutions and lenders, will be replaced by the shares received in swap/ exchange ratio pursuant to the Scheme by the promoters of the Transferor Companies in HIL and shall have the same benefits as the pledge was with the promoters of the Transferor Companies.
- 6.2 The shares of HIL received in swap/ exchange ratio pursuant to the Scheme under clause 5.3 and 5.4 to HCWLL Trust and FDLL Trust shall continue to be pledged in favor of banks, financial institutions and lenders of HIL.

7. SHARES IN LOCK- IN

Upon the Scheme coming into effect, the shares held by the Transferor Companies as promoters in other companies and subject to lock - in, shall continue for the residual period of the lock - in, in the hands of HIL.

8. CORPORATE GUARANTEE

Upon the Scheme finally coming into effect, the Corporate Guarantee (s) given by SKIL, HCWLL and FDLL to the banks and / or to any other financial institutions, shall stand transferred to and vested in HIL.

9. DIVIDEND AND PROFITS

9.1 The Transferor Companies shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the financial year/accounting period prior to the Appointed Date. The Transferor Companies shall not declare any dividend for the period commencing from and after appointed date without written consent of HIL. The Transferor Companies shall obtain the consent of the Board of Directors of HIL before declaration of any dividend. The Transferor Companies and HIL shall not transfer any amount from the reserves or amount lying in credit to the Profit & Loss Account on the Appointed Date for the purpose of payment of dividend.

9.2 Subject to the provisions of the Scheme, the profits of the Transferor Companies for the period beginning from the Appointed Date shall belong to and be the profits of HIL and will be available to HIL for being disposed off in any manner as it thinks fit including declaration of dividend by HIL in respect of its financial year ending on 31st March, 2013 or any year thereafter.

9.3 The Equity Shares of HIL to be issued and allotted to the shareholders of the Transferor Companies as provided in Clause 5.1 herein before shall rank pari passu in all respects with the equity shares of HIL including proportionate entitlements to dividend in respect of dividends declared after the Effective Date. The holders of the Shares of the Transferor Companies and HIL shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights, voting rights and in all other respects under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members till the Effective Date.

9.4 It is clarified, however, that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies or HIL to demand or claim any dividend which shall be entirely at the discretion of the Board of Directors and subject to the provisions of the said Act.

10. DIRECTORS AND PROMOTERS

10.1 Upon the Scheme finally coming into effect, the Board of Directors of HIL shall take necessary steps to reconstitute its Board.

10.2 Upon the Scheme finally coming into effect, the promoters of SKIL shall become the promoters of HIL.

- 10.3 The Chairman of SKIL, Mr. Nikhil Prataprai Gandhi, having his DIN as 00030560, shall be the Chairman of HIL.
- 10.4 The Vice - Chairman of SKIL, Mr. Bhavesh Prataprai Gandhi, having his DIN as 00030623, shall be the Vice - Chairman of HIL.
- 10.5 Pursuant to the Scheme coming into effect, there shall not be any change in the management and control of HIL, other than the promoter group shareholding which shall be further consolidated since ultimate promoters are common in the Transferor Companies and HIL.
- 10.6 Pursuant to the Scheme coming into effect, HIL shall become the promoter of all the companies in which SKIL was the promoter prior to the Scheme taking into effect.

11. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

- 11.1 With effect from the Appointed Date and up to and including the Effective Date:
- (i) the Transferor Companies shall carry on and be deemed to have been carrying on and shall carry on all business and activities relating to the Undertaking and stand possessed of the properties so to be transferred, for and on account of and in trust for HIL, including but without limitation to payment of advance income tax and subsequent installments of income tax, sales tax, excise and other statutory levies, etc;
 - (ii) all incomes, profits, benefits and incentives accruing to the Transferor Companies and the expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by them relating to the Undertaking shall, for all purposes, be treated as the incomes, profits, benefits and incentives or losses, as the case may be, of HIL;
 - (iii) HIL shall have the right to claim refund of payment of the taxes arising on account of transactions entered into between the Transferor Companies and HIL between the Appointed Date and the Effective Date.
- 11.2 The Transferor Companies hereby undertakes, from the Appointed Date upto and including the Effective Date-
- (i) to carry on the business of the Undertaking with reasonable diligence and business prudence and not to borrow, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Undertaking or any part thereof, nor to undertake any new business or a substantial expansion of its existing business except with the prior written consent of the Board of Directors of HIL;

- (ii) not to utilise the profits, if any, relating to the Undertaking for the purposes of declaring or paying any dividend in respect of the period falling on and after the Appointed Date without obtaining the prior approval of HIL;
 - (iii) not to issue or allot any rights or bonus shares out of its authorised or unissued share capital for the time being.
- 11.3 Save as provided in sub-clause 11.4 below, neither the Transferor Companies nor HIL shall make any change in their Capital Structure (Paid-up Capital), other than changes pursuant to commitments, obligations or arrangements subsisting prior to the Appointed Date, except by the mutual consent of the Board of Directors of both the Transferor Companies and HIL;
- 11.4 The restrictions in sub-clauses (i), (ii) and (iii) of 11.2 above shall be applicable from the date of acceptance of the present Scheme by the respective Board of Directors of all the Companies and not from the Appointed Date.

12. TRANSFER OF EMPLOYEES OF TRANSFEROR COMPANIES

On and from the Effective Date:

- 12.1 All employees of the Transferor Companies on the rolls of the Transferor Companies on the Effective Date shall become the employees of HIL on such date without any break or interruption in service and on terms and conditions not less favourable than those on which they are respectively engaged by the Transferor Companies as on the Effective Date.
- 12.2 The accumulated balances standing to the credit of the employees of the Transferor Companies on the Effective Date in the Provident Fund, Gratuity Fund, Superannuation Fund and/or other Funds and including any surplus in any such Funds created or existing for the benefit of the employees of the Transferor Companies shall be identified, determined and transferred to the corresponding funds of HIL in due course.
- 12.3 HIL shall not vary the terms and conditions of the employment of its employees, except in the ordinary course of business.

13. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 13.1 Subject to other provisions of this Scheme, HIL shall accept all acts, deeds and things relating to the Undertaking of the Transferor Companies done and executed by and/or on behalf of the Transferor Companies on or after the Appointed Date as acts, deeds and things done and executed by and/or on behalf of HIL.
- 13.2 Subject to other provisions of this Scheme, all contracts including commercial and technical, deeds, bonds, agreements, Memorandum of Understanding ("MoU"), awards, rights and concessions, insurance policies and other instrument of

whatsoever nature relating to the Undertaking to which the Transferor Companies is a party and subsisting or having effect on or before the Effective Date shall be in full force and effect against or in favour of HIL and may be enforced as fully and effectually, as if, instead of the Transferor Companies, HIL had at all material times been a party thereto.

- 13.3 HIL may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangement or confirmations or novations to which the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Clause, if so required or if it becomes necessary.
- 13.4 On this Scheme finally taking effect, all the agreements, guarantees, approvals, consents, permissions, licenses, sanctions, leases and the like entered into with and/or given by, as the case may be, the various State Governments, statutory or regulatory body or agencies or third parties with respect to the Transferor Companies shall, without any further act, deed, matter or thing, stand transferred to and vested in HIL.

14. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, if any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called the "Proceedings") by or against the Transferor Companies be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Companies or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against HIL in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme had not been made. On and from the Effective Date, HIL shall and may initiate any legal proceedings for and on behalf of the Transferor Companies, in its own name.

PART-IV

15. ACCOUNTING TREATMENT

- 15.1 Upon the coming into effect of this scheme and with effect from the appointed date, for the purpose of accounting for and dealing with the value of the assets and liabilities in the books of the transferee company, the fair value of the assets and liabilities of the transferor companies shall be determined as of the appointed date.
- 15.2 As considered appropriate for the purpose of reflecting the fair value of assets and liabilities of the transferor companies and Transferee Company in the books of the transferee company on the appointed date as referred to in sub clause 15.1, suitable effect may be given including, but not restricted to, application of uniform accounting policies and methods.

- 15.3 The transferee company shall credit the share capital account in its books of account with the aggregate face value of the new equity shares issued to the shareholders of the respective transferor companies pursuant to sub clause 5.1 of this scheme.
- 15.4 Upon vesting of equity shares of HCWLL and FDLL to HCWLL Trust and FDLL Trust as per sub clause 5.3 and 5.4 above respectively, the related proportionate carrying amount of investment in such shares of HCWLL and FDLL as appearing in the books of HIL shall be reflected as "Interest in HIL Benefit Trust" at the same value at which the related carrying amount of investment in such shares of HCWLL and FDLL would have appeared in the books of HIL immediately after the amalgamation of SKIL and HCWLL under part III of the scheme.
- 15.5 The aggregate excess or deficit of value of the net assets determined as per sub clause 15.1 above, and the net effect of the adjustments referred in sub clause 15.2 above over the paid up value of the shares to be issued and allotted to the shareholders of the transferor companies pursuant to this scheme, stamp duty and other cost incurred towards execution of the scheme shall be adjusted by the transferee company to its capital reserve and such reserve shall be reserve for being used accordingly except by way of distribution of dividend or shall be debited to the "Goodwill account" in its books, as the case may be.
- 15.6 The losses, if any, of each of the transferor companies up to the effective date shall be adjusted against the resultant capital reserves as per sub clause 15.5 above and/or to the securities premium account in the books of the transferee company.
- 15.7 For removal of doubt it is clarified that to the extent there are inter-company loans, deposits or balances as between or amongst the transferor companies and transferee company, the obligations in respect thereof shall be cancelled and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of HIL for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from appointed date.
- 15.8 Notwithstanding anything stated above, in case of a need for clarification or adjustments, the transferee company may, in consultation with its statutory auditors, resolve accounting issues, if any, in the best interests of the transferee company and the transferor companies.

16. UTILIZATION OF SECURITIES PREMIUM ACCOUNT IN THE BOOKS OF HIL

The reduction, if any, in the securities premium account of the transferee company pursuant to sub clause 15.6 above shall be effected as an integral part of the scheme in accordance with the provisions of section 78 read with section 100 to 103 of the act and the order of the high court sanctioning the scheme shall also be deemed to be an order under section 102 of the act confirming the reduction in the securities premium account. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of section 101 (2) of the act shall not apply. The reduction in the securities premium account of the transferee company shall not require the transferee company to add the words "and reduced" as a suffix to its name.

17. BORROWING LIMIT OF HIL

Upon the coming into effect of this Scheme, the borrowing limits of HIL in terms of Section 293(1) (d) of the said Act, shall without further act or deed stand enhanced by an amount equivalent to the authorised borrowing limits of the Transferor Companies, such limits being incremental to the existing limits of HIL. These limits as enhanced may be increased from time to time by HIL in accordance with the provisions of the said Act.

18. HIL shall be entitled to revise its Income Tax returns and related TDS certificates and the right to claim refund, advance tax credits etc. upon this Scheme becoming effective and have expressly reserved the right to make such revisions in the Income Tax returns and related TDS certificates and the right to claim refund, advance tax, withholding tax, or such other tax credits of the Transferor Companies, pursuant to the sanction of this Scheme. It is clarified that all taxes payable by the Transferor Companies from the Appointed Date onwards, including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of HIL. Accordingly, upon the Scheme becoming effective, with effect from the Appointed Date, HIL, if required, is expressly authorized to revise its service tax returns and other tax returns, and to claim refunds and/or credits, pursuant to the provisions of this Scheme.

19. This Scheme has been drawn up to comply and come within the definition and conditions relating to "Amalgamation" as specified under Section 2(1B) and Section 47 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 Sections of the Income Tax Act, 1961, at a later date, including resulting from an amendment of law or for any other reason whatsoever, the Scheme shall stand modified/ amended to the extent determined necessary to comply and come within the definition and conditions relating to "Amalgamation" as specified in the Income Tax Act, 1961. In such an event, the clauses which are inconsistent shall be read down or if the need arises be deemed to be deleted and such modification/reading down or deemed deletion shall however not affect the other parts of the Scheme.

PART-V

20. APPLICATION TO HIGH COURT

On the Scheme being agreed to by the requisite majorities of the members and creditors of the Transferor Companies and HIL, the Transferor Companies and HIL shall respectively and/or jointly with reasonable dispatch, apply to the Hon'ble High Court for sanctioning this Scheme under Sections 391 to 394 read with Sections 78, 100 to 104 of the Act and for an order or orders under Section 394 of the Act for carrying this Scheme into effect.

21. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

- 21.1 The Transferor Companies and HIL may make or assent from time to time on behalf of all persons concerned to any modifications or amendments to this Scheme or to any conditions or limitations which the High Court or any authorities under law may deem fit to approve or direct or impose or which may otherwise be considered necessary and to resolve all doubts or difficulties that may arise for implementing and/or carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effect. The aforesaid powers of the Transferor Companies and HIL may be exercised by the respective Board of Directors.
- 21.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of HIL or any person authorised by the Board of Directors in that behalf may give and is authorised to give all such directions as are necessary or desirable including directions for settling or removing any question of doubt or difficulty that may arise with regard to the issue and allotment of the said shares, as they may think fit and such determination or directions, as the case may be shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

22. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional upon and subject to:

- (i) The Scheme being agreed to by the respective requisite majorities of the members and creditors of the Transferor Companies and HIL and the requisite order or orders referred to in Clause 20 hereof being obtained;
- (ii) the requisite approvals or consents being obtained or requisite resolutions under the applicable provisions of the said Act being passed by the various classes of shareholders and creditors (where applicable) of the Transferor Companies and HIL for any of the matters provided for or relating to the Scheme as may be required or be necessary;

- (iii) the requisite sanctions or approvals including but not limited to in-principle approvals, sanctions of Central Government or any government authority or any other agency or 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 under any law;
- (iv) the sanction of the Scheme by the Hon'ble High Court being obtained under sections 391 and 394 read with Sections 78, 100 to 104 and other applicable provisions of the Act, if so required, on behalf of the Transferor Companies and HIL;
- (v) certified copies of the orders of the Hon'ble High Court sanctioning the Scheme, being filed by the Transferor Companies and HIL with the Registrar of Companies, Maharashtra at Mumbai.

23. SCHEME RENDERED NULL AND VOID

- 23.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause 22 above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the order or orders not being passed as aforesaid before 30th September, 2013 or within such further period or periods as may be agreed upon between the Transferor Companies and HIL, through and by its Board of Directors (and which Board of Directors of each of the Companies are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligations which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as specifically provided in the Scheme or as may otherwise arise in law and in that event each party shall bear their respective costs.
- 23.2 In the event of this Scheme failing to take effect, it becomes null and void and in that event no rights and liabilities of whatsoever nature shall accrue to or be incurred inter-se to or by the parties or any of them.
- 23.3 In the event the Board of Directors of the Transferor Companies and HIL, either through itself or through a committee appointed in this behalf, agree to proceed with the sanctioning of the Scheme in part, the Transferor Companies and HIL shall proceed with the High Court's Order for sanctioning of the Scheme in part.

24. OPERATIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

25. DISSOLUTION OF THE TRANSFEROR COMPANIES

On the Scheme becoming effective, the Transferor Companies shall be dissolved without winding up in accordance with the provisions of Sections 391 to 394.

26. COSTS/EXPENSES CONNECTED WITH THE SCHEME

26.1 Save and except as provided elsewhere in the Scheme, all costs, charges and expenses of the Transferor Companies and HIL respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation and arrangement between the Transferor Companies with HIL in pursuance of this Scheme, shall be borne and paid by HIL.

26.2 In the event that this Scheme fails to take effect within such period or periods as may be decided by the Transferor Companies (by its Board of Directors) and HIL (by its Board of Directors), or the Scheme is rendered null and void in terms of Clause 23 above of this Scheme then, the Transferor Companies and HIL shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.

27. GENERAL TERMS AND CONDITIONS

27.1 The Transferor Companies and HIL shall, with all reasonable dispatch, make all applications / petitions under Section 391 and 394 read with Sections 78, 100 to 104 and other applicable provisions of the Act to the High Court for the sanctioning of the Scheme and obtain all approvals and consents as may be required under the law or any agreement.

27.2 The respective Board of Directors of the Transferor Companies and HIL may empower any Committee or any individual director or officer of the Company to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under the Scheme.

27.3 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferor Companies and HIL and their respective members and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

27.4 Notwithstanding anything stated herein or elsewhere, the Board of Directors of the Transferor Companies and HIL shall always have a power to revoke / withdraw this Scheme at any time before the same finally takes effect on any substantial ground in the best interest of shareholders and creditors of respective Transferor Companies and HIL and as may be mutually agreed between the Board of Directors of the Transferor Companies and HIL and for this purpose, it shall not be necessary for either the Transferor Companies or HIL to obtain any further consent of any of their respective shareholders or any other person. The consents given by such shareholders of the Transferor Companies and HIL shall be deemed to include their consent authorizing to the Board of Directors of the

respective companies to withdraw the Scheme at any time before the same finally takes effect.

- 27.5 If any part of this Scheme is invalid, ruled illegal by any court or authority of competent jurisdiction or unenforceable under the present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.
