

**MEMORANDUM
AND
ARTICLES OF ASSOCIATION**

KAMA HOLDINGS LIMITED

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U92199DL2000PLC104779

मैसर्स SRF POLYMERS LIMITED

जो मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
SRF POLYMERS LIMITED

जो मूल रूप में दिनांक अठारह मार्च को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स
SRF Chemicals Limited

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा
लिखित रूप में यह सुधित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य
विभाग, नई दिल्ली की अभिसूचना सं. सा. कर. नि. 507 (अ) दिनांक 24.8.1985 एस्.आर.एन. A70112107 दिनांक 05/10/2009 के द्वारा
प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स
KAMA HOLDINGS LIMITED

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र, मेरे हस्ताक्षर द्वारा दिल्ली में आज दिनांक पांच अक्टूबर दो हजार नौ को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, National Capital Territory of Delhi and Haryana

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : U92199DL2000PLC104779

In the matter of M/s SRF POLYMERS LIMITED

I hereby certify that SRF POLYMERS LIMITED which was originally incorporated on Twenty Eighth day of March Two Thousand under the Companies Act, 1956 (No. 1 of 1956) as SRF Chemicals Limited having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/08/1985 vide SRN A70112107 dated 05/10/2009 the name of the said company is this day changed to KAMA HOLDINGS LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Delhi this Fifth day of October Two Thousand Nine.




(MANMOHAN JUNEJA)

कम्पनी रजिस्ट्रार / Registrar of Companies

राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा

National Capital Territory of Delhi and Haryana

कम्पनी रजिस्ट्रार के कार्यालय अपिलेख में उपलब्ध पत्राचार का पता :

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

KAMA HOLDINGS LIMITED

C-8, SAFDARJUNG DEVELOPMENT AREA, NEW DELHI - 110016,

Delhi, INDIA

COMPANY NO.55-104779



सत्यमेव जयते

Certificate for Commencement of Business

व्यापार प्रारम्भ करने का प्रमाण-पत्र

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

कम्पनी अधिनियम 1956 की धारा 149 (3) के अनुसरण में-

I hereby certify that the **SRF CHEMICALS LIMITED**

मैं एतद् द्वारा प्रमाणित करता हूँ कि **एस आर एफ केमिकल्स लिमिटेड**।

which was incorporated under the Companies Act. 1956 on

जो कि कम्पनी अधिनियम, 1956 के अन्तर्गत पंजीकृत की गई थी दिनांक 8 चैत्र, 1922

the **TWENTYEIGHTH** day of **MARCH** 200

and which has filed duly verified declaration in the

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

prescribed form that the conditions of section

कर दिया है कि उस ने धारा 149 (2) (क) से (ग)

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

को सभी शर्तों का अनुपालन कर दिया है, अतः व्यापार आरम्भ करने का

to commence business

अधिकारी है।

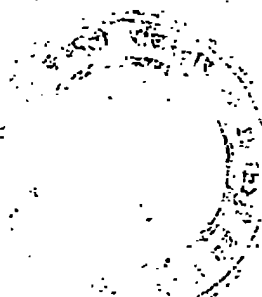
Given under my hand at NEW DELHI

मेरे हस्ताक्षर से आज दिनांक 9 चैत्र, 1922

this **TWENTY NINTH** day of **MARCH**

TWO THOUSAND

को जारी किया गया।



डी पी शर्मा

उप कम्पनी रजिस्ट्रार
Registrar of Companies

रा. रा. क्षेत्र दिल्ली एवं हरियाणा
N.C.T. OF DELHI & HARYANA

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा

कम्पनी अधिनियम, 1956 की धारा 18 (1) (क)

उद्देश्य-खंडों में परिवर्तन की पुष्टि हेतु विशेष विनिश्चय के पंजीकरण का प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U92199DL2000PLC104779

मैसर्स SRF POLYMERS LIMITED

के अंशधारकों ने दिनांक 04/12/2008 को आयोजित की गई वार्षिक / असाधारण बैठक में एक विशेष विनिश्चय पारित करके कम्पनी अधिनियम, 1956 (1956 का 1) की धारा 18 (1) का अनुपालन करते हुए अपने संगम-झापन के प्रावधानों में परिवर्तन कर लिया है।

मैं, एतद्वारा सत्यापित करता हूँ कि उक्त विशेष विनिश्चय की प्रतिलिपि, यथा परियर्तित संगम-झापन के साथ, आज पंजीकृत कर ली गई है।

मेरे हस्ताक्षर द्वारा दिल्ली में यह प्रमाण-पत्र, आज दिनांक एक जनवरी दो हजार नौ को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, National Capital Territory of Delhi and Haryana

SECTION 18(1)(A) OF THE COMPANIES ACT, 1956


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

Corporate Identity Number : U92199DL2000PLC104779

The share holders of M/s SRF POLYMERS LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 04/12/2008 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section. (18)(1) of the Companies Act, 1956 (No. 1 of 1956).

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

Given under my hand at Delhi this First day of January Two Thousand Nine.


(MAHESH CHANDRA SAXENA)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies
राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा
National Capital Territory of Delhi and Haryana

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:
SRF POLYMERS LIMITED
C-8, SAFDARJUNG DEVELOPMENT AREA, NEW DELHI - 110016,
Delhi, INDIA

**THE COMPANIES ACT, 1956
(COMPANY LIMITED BY SHARES)**

MEMORANDUM OF ASSOCIATION

**OF
KAMA HOLDINGS LIMITED**

- I. The name of the Company is KAMA Holdings Limited. *
- II. The Registered Office of the Company will be situated in the National Capital Territory of Delhi.
- III. The objects for which the Company is established are:-

A. Main Objects:-**

1. To carry on the business of manufacturing of and dealers in chemicals, chemical compounds and chemical products of any nature and kind whatsoever, and as wholesale and retail chemists and druggists, chemical engineers, analytical chemists, importers, exporters, manufacturers of and dealers in heavy chemicals, acids, petro-chemical compounds and elements of all kinds (solid, liquid and gaseous), drugs, medicines, pharmaceuticals, anti-biotics etc., tannins, tannin extracts, essences, solvents, plastics of all types, dyes, dyestuff, intermediates, textile auxiliaries, cellophane, colours, paints, varnishes, disinfectants, insecticides, fungicides, deodorants, as well as biochemical, pharmaceutical, medicinal, sizing, bleaching, photographic and other preparations and articles of any nature and kind whatsoever.
2. To carry on the business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, twisting or otherwise handling or dealing in man-made fibres including regenerated cellulose rayon, nylon and the like; nylon 6, nylon 66 and other nylon tyre cord, fabrics and industrial yarns; polyester filament yarn, artificial silks, staple fibres, acrylic fibre and tops and such other fibres or fibrous materials or allied products, by-products or substances or substitutes for all or any of them, or yarn or yarns for textile or otherwise, as may be practicable or deemed expedient.
3. To make, manufacture, produce, purchase, sell, import, export or otherwise deal in all types of raw materials, stores, goods, products, including caprolactam, hexamethylene-diamine, adipic acid, dimethyl terephthalate, acrylonitrile and other allied chemicals.

*The name of the Company was changed from SRF Polymers Limited to KAMA Holdings Limited vide Special Resolution dated 25.09.2009 and Fresh Certificate of Incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana on 05.10.2009, pursuant to Section 23 of companies Act, 1956..

**By complying with provisions of Section 149(2A) of the Companies Act, 1956, the Company is authorised to engage in the businesses mentioned in sub-clauses 51, 64 and 66 to 77.

4. To carry on industrial and business activities in India or abroad as promoters, producers, manufacturers, buyers, sellers, finishers, exchangers, converters, developers, processors, twistors, importers, exporters, traders, distributors, stockists, retailers, merchants, makers, agents, suppliers, concessionaires and dealers in plastics including PVC, polyesters, polymers, monomers, elastomers and resins of all types, grades and copolymer formulation and in all forms (raw or finished or processed or otherwise) such as films, fibres, powder, products, flakes, sheets, pipes, fittings, granules, laminates or coextrudates or as processed goods and including specifically polyester chips, DMT, polyester metalised films, artificial zari goods, laces, kalabatoon filaments, metallic yarn, polyethylene, polypropylene, polystyrene, polyvinyl chloride, polyvinyl acetate, polymethyl methacrylate, epoxy resins, alkylid resins, melamine resins, polycarbonates, polyamides, acrylics, polyesters such as polyethylene thermosetting and thermoplastic materials and compounding agents and additives therefor or any other or new substances being improvements upon, modifications, of or being derived from additions to petrochemicals or other products or resulting from any processes, and/or manufacture of materials from the waste realised from the above mentioned products either on its own account or otherwise and allied products, by products, substances, substitutes for all or any of them and to carry on the business of manufacturer and dealers in stores, goods, products, materials of all kinds, varieties and chemical substances of all kinds and compounds, other substances either basic or intermediate required for the above mentioned product or products.
5. To carry on the business as manufacturers, formulators, processors, producers, growers, fermentators, distillers, refiners, makers, importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, distributors and concessionaires of and dealers in yarn or yarns for textile, synthetic fibres, man made fibres, natural and synthetic textiles and textile materials, polyfibres and films, polyamide or nylon fibres, nylon intermediates, acrylics and monoacrylics, vinyl and vinylidiness, spandex, polyolefins, fluorocarbons, glass fibres, cellulosic fibres and films rayon and acetate, viscose, cellulose acetate, staple, staple fibres, plasticizers, and finishing and dyeing of textiles, bitumen, Indian rubber, gutta percha or any other water-proofing material anywhere in India or abroad.

B. Incidental and ancillary Objects:-

6. To buy or generate for the purposes of the Company steam, heat, light, electricity, gas or other motive power.
7. To purchase, take on lease or in exchange, hire or otherwise acquire, any real and personal properties and any rights or privileges which this Company may think necessary or convenient for the purpose of its business.
8. To construct, improve, maintain, develop, work, manage, carry out, or control any roadways, tramways, railways, branches or sidings, bridges, reservoirs, water courses, wharves, manufactories; warehouses, electric works, shops, stores and other works and conveniences which may seem calculated to advance the Company's

interests and to contribute to, subsidise, or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof.

9. To apply for, purchase or otherwise acquire, any patents, trade marks, brevets d'inventions, licences, concessions and the like conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem to the Company capable of being used for any of the purposes of the Company or calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired, and to experiment upon; testing or improving any such patents, inventions or rights and to carry on all kinds of research work.
10. To acquire and undertake the whole or any part of the business, property and liabilities of any person or firm or company carrying on any business which the Company is authorised to carry on, or possessed of property suitable for the purposes of this Company.
11. To enter into any partnership, arrangement for sharing profits, union of interests, co-operation, joint-adventure, reciprocal concession or otherwise with any person or firm or company carrying on or engaged in or interested in or about to become engaged in, or interested in the carrying on or conduct of any business or transaction which the company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as to benefit the Company.
12. To amalgamate with any other company having objects altogether or in part similar to those of this Company.
13. To develop and turn to account any land acquired by the Company or in which it is interested, and in particular by laying out and preparing the same for the building purposes, constructing, altering, pulling down, decorating, maintaining, fitting up and improving buildings, and by planting, paving, draining, farming, cultivating and letting on building lease or building agreement, and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others.
14. To take or otherwise acquire and hold shares, stock, debentures or other interests in any other company, or carry on any business capable of being conducted so as to benefit this Company.
15. To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time seem expedient and be determined.
16. To lend money to such persons or companies on such terms as may seem expedient, and in particular to employees or ex-employees, customers and others having dealings with the Company and to give any guarantee or indemnity that may seem conducive to the business of the Company.

17. To receive fixed or other deposits not withdrawable by cheques, drafts or orders and pay interest on them at a reasonable rate for the purpose of financing the business of the Company.
18. To borrow or raise money by the issue of debentures or debenture stock (perpetual or otherwise), bonds, mortgages or any other securities or in such manner as the Company shall think fit, and for the purposes aforesaid to mortgage or charge all or any of the Company's property or assets, present and future, including its uncalled capital and collaterally or further secure any securities of the Company by trust deed or other assurance.
19. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
20. To apply for, promote and obtain any Act of Parliament, privileges, concessions, licence or authorisation of any government, state or municipality or other authority for enabling the Company to carry any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company or for any other purpose which may seem expedient, and to make representation against any proceedings or applications which may seem calculated to prejudice the interests of the Company.
21. To enter into any arrangements with any governments or authorities supreme, municipal, local or otherwise, that may seem conducive to the Company's objects, or any of them and to obtain from any such government or authority, any rights, privileges, and concessions which the Company may think it desirable to obtain, and to carry out, exercise, and comply with any such arrangements, privileges, and concessions.
22. To pay all costs, charges and expenses preliminary and incidental to the formation, promotion, registration, or establishment of this or any other company and the issue of its capital and to remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in or debentures or debenture stock or other securities or obligations of the Company or in or about the promotion, formation or business of the Company; or of any other company promoted wholly or in part by this Company.
23. To pay for any rights or property acquired by the Company, and to remunerate any person or company whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.
24. To pay donations to any individuals or institutions or associations or contribute to any charitable, religious, benevolent, national, public or general and other funds or institutions or associations.
25. To procure the company to be registered or established or to be authorised to do business as joint stock company with limited liability in any foreign country or place.

26. To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company or for any other purpose which may seem calculated to benefit this Company.
27. To sell or otherwise dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company.
28. To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account, or otherwise deal with, all or any part of the property and rights of the Company.
29. To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company in the event of its winding up, but so that no distribution amounting to a reduction of capital be made except with the sanction, if any, for the time being, required by law.
30. To provide for the welfare of employees or ex-employees of the Company and the wives, widows, families or dependents of such persons by building or contributing to the building of the houses, dwelling or by grants of money, pensions, allowances, gratuities, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other funds, institutions and trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and assistance as the Company shall think fit.
31. To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, public places and theatres, by radio, by television, by producing and exhibiting films, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
32. To apply the assets of the Company in any way in or towards the establishments, maintenance or extension of any association, institution, fund or movement connected with the business and activities of the Company.
33. To refer to arbitration any existing or future dispute or difference between the Company and any other person, firm, company or corporation.
34. To do all or any of the above things in any part of the world as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
35. To do all such other things as are incidental or conducive to the attainment of the above said objects or any one of them.

C. Other Objects

36. To carry on the business of ginnerers, spinners, weavers, flax manufacturers, balers and pressers of all cotton, jute, silk, hemp, wool, hair, rayon and other fibrous

materials including man-made fibres, and the business of buyers and sellers of and dealers in cotton, jute, silk, flax, hemp, wool, hair, rayon and any other fibrous materials and transacting all manufacturing, curling, preparing, colouring, dyeing or bleaching processes and purchasing, and vending the raw materials and manufactured articles; purchasing, combing, preparing, spinning, weaving, dyeing, bleaching, printing, manufacturing, selling and otherwise dealing in yarn, linen, cloth, and other goods and fabrics made from cotton, jute, silk, flax, hemp, wool, hair, rayon, and any other fibres, or fibrous substances including man-made fibres, weaving and otherwise manufacturing; buying, selling and dealing in all kinds of cloth and other goods and fabrics, whether textile, felted, netted, or looped, and vitriol, bleaching, sizing, dyeing, printing and other processing materials.

37. To carry on all or any of the businesses of printers, stationers, lithographers, type-founders, stereo-typers, electro-typers, photographic printers, photo-lithographers, chromo-lithographers, engravers, die- sinkers, book-binders, designers, draughtsmen, paper and ink manufacturers, book-sellers, publishers, advertising agents, engineers and dealers, in or manufacturers, of any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.
38. To carry on the business of iron-founders, mechanical engineers and manufacturers of agricultural implements and other machinery, toolmakers, brass-founders, metal-workers, boiler-makers, mill wrights, machinists, iron and steel converters, smiths, wood-workers, builders, painters, metallurgists, electrical engineers, water-supply engineers, gasmakers, farmers, printers, carriers and merchants.
39. To carry on any business relating to the winning and working of minerals, the production and working of metals and the production, manufacture and preparation of any other materials, which may be usefully or conveniently combined with the engineering or manufacturing business of the Company.
40. To carry on the business of a store-keeper in all its branches, and in particular to buy, sell, manufacture and deal in goods, stores, consumable articles, chattels and effects of all kinds, both wholesale and retail, and to transact every kind of agency business.
41. To establish and carry on schools or colleges and to provide for the delivery and holding of lectures, exhibitions, public meetings, classes and conferences, calculated directly or indirectly to advance the cause of education, whether general, professional or technical and primarily for the purpose of promoting the interest of the Company.
42. To purchase, take on lease or otherwise acquire any mines, mining rights and metalliferous land in India or elsewhere, and any interest therein, and to explore, work, exercise, develop and turn to account the same; to crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate, manipulate, and prepare for market ore, metal and mineral substances of all kinds, and to carry on any other metallurgical operations which may seem conducive to the Company's objects.

43. To carry on the business of producers and suppliers of electricity or gas, whether for the purpose of light, heat, motive-power, telephonic, telegraphic, industrial or other purposes; and generally to provide, work, maintain and carry out all necessary cables, wires, accumulators, lamps, exchanges, telephones and apparatus connected with the generation, distribution, supplying, accumulation and employment of electricity or gas.
44. To carry on the business of manufacturer and sellers of and dealers in and agents for all kinds of radio/television apparatus and other electronic appliances and equipments, all kinds of electric lamps, including gas-filled lamps, vacuum lamps, carbon lamps and arc lamps, electric discharge tubes and other articles, instruments and things required for or capable of being used for or in connection with the generation, transformation, propagation, radiation, distribution, supply, accumulation and employment or application of electricity, for radiating wires for wireless signalling, lighting, heating, motive-power, X-ray, medical and other purposes whatsoever, and to construct, maintain, carry out, work, buy, sell, let on hire and deal in works, plant, machinery, conveniences and things of all kinds capable of being used in connection with such purposes of any kind, including cables, wires, lines, stations, exchanges, accumulators, dynamos, motors, batteries, switching, regulating, controlling, signalling and medical apparatus, lamps, meters and engines.
45. To carry on business as financiers, concessionaries, and merchants, and to undertake and carry on and execute all kinds of financial, commercial, trading and other operations which may seem to be capable of being carried on in connection with any of these objects, or calculated to enhance the value of or facilitate the realization of or render profitable any of the Company's property or rights.
46. To carry on the business as manufacturers of and dealers in fertilisers, phosphates, bone products, glue, aluminic product and manures and as distillers, dye-makers, gas-makers, soap and perfume makers, metallurgists and mechanical engineers.
47. To engage in coastal and international shipping in India or in any part of the world, to purchase, charter, hire, build or otherwise acquire, steam and other ships or vessels, and to employ the same in conveyance of passengers, mails, and merchandise of all kinds in any part of the world and to undertake and carry on all or any of the trades and businesses of shippers, ship owners, ship repairers, ship brokers, agents, aeroplane owners and carriers.
48. To carry on the business of manufacture and dealers in pulp and papers of all kinds, and articles made from paper or pulp and materials, used in the manufacture or treatment of paper, including cardboard, mill board and oil papers and packing cartons and newsprint and photographic raw materials and films, paperboard, straw board, hard board, fibre board, chip board, corrugated paper, transparent paper, craft paper, carbons, parchment and corks.
49. To carry on business as tanners, curriers and manufacturers of leather, and all description of goods, wholly or partly of leather, to design, develop, manufacture,

produce, process, assemble and distribute, export, all types of leather and allied products manufactured from leather such as insoles and foot-wear, maintain related accessories, manufacture, processing and selling regenerated leather rolls, sheets, and strips as may be deemed expedient.

50. To set up steel furnaces and continuous castings and rolling mill plants for producing steel allow, steel ingots, steel and allow steel pellets of all kinds and sections and re-rolling sections, to mine and process ore, manufacture sinters, pellets, sponge iron, etc.
51. To carry on the trade or business of leasing in lands, buildings, factories, houses, flats and other residential, commercial, agricultural, and mining properties and all types of plants and machinery and to carry on business and deal in the above as agents.
52. To carry on business of manufacture and sale in all aspects and repairs of, motor cars, motor buses, omnibuses, motor lorries, motor trucks, motor cycles, scooters, jeeps, trolleys, trailers, buses, motor vans, vehicles, and other conveyances of all kinds and descriptions, tractors and other machinery and vehicles, conveyance and their engines, tyres and semityres of different types of vehicles and tubes thereof, including their flaps, dry cells, inert cells and batteries, accumulators and storage batteries; cadmium, rechargeable batteries, flash lights, carbon electrodes, zinc callots and all appliances and replacement parts and things used in the manufacture of or in connection with such cells and batteries. To carry on business of manufacture, fabricate and assemble and deal in all automotive parts and agricultural implements of all kinds and descriptions, automotive gears, transmission axles, universal joints, springs, spring leaves, head lamps, sealed beams, components, spare parts, accessories and fittings of all kinds for the said articles and things used in connection with the manufacture thereof.
53. To manufacture, produce, sell, buy, import, export or otherwise deal in acidic, basic and neutral refractories, insulators of all kinds, technical ceramics, earthenware, pottery or articles of clay, cement, gypsum, sand or other earthly matter, synthetic ceramics, or a combination of two or more of them, and to carry on the business of all kinds of these products including glass products, glass sheets, plate glass, fibre glass, optical glass, glass wool and laboratory ware.
54. To act as consultants, technical, financial, commercial, personnel, managerial, marketing, purchasing, quality control, operational, projects, and in furtherance and pursuance of which to accept appointment and act as consultants and/or in any manner or form whatsoever, either in advisory or any other capacity, either by itself solely or in conjunction with other units, so as to render services emanating from above referred activities either directly or otherwise, in India or abroad.
55. To produce, manufacture, treat, process, refine, import, export, purchase, and sell and distribute all kinds of cement, ordinary, white, coloured, portland, pozzolana, alumina, blast furnaces, silica or otherwise.

56. To carry on the business of manufacturing, processing, formalising, producing, buying, selling, exporting, importing or otherwise dealing in all types of photo sensitive, photographic, and cinematographic goods like films, photo sensitive paper, photo-chemicals, sensitized products, whether or not exposed or developed and films for X-ray and other medicinal purposes including plates, sheets, rolls or any other form.
57. (i) To undertake, carry out, promote and sponsor, rural development including any programme for promoting the social and economic welfare of or upliftment of the public, or any rural area and to incur any expenditure on any programme of rural development, to assist execution and promotion thereof either directly or through an independent agency or in any other manner, and for this purpose, the Directors may transfer and divest the ownership of any property to or in favour of any public or local body or authority or Central or State Government etc.
- (ii) To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral upliftment of the public or any section of the public in such manner as Directors may think fit.
58. To manufacture, produce, sell, buy, import, export, or otherwise deal in forgings, castings, metal workings, light and medium fabricated products, aluminium products, cutting tools, mining and drilling tools and equipment.
59. To manufacture, produce, sell, buy, import, export, let on hire, repair, service or otherwise deal in all kinds of internal-combustion, multi-purpose and marine engines and motors and related parts, components and accessories thereof.
60. To manufacture, produce, sell, buy, import, export, or otherwise deal in all types and kinds of industrial and electrical machinery, valves, material handling equipment, pollution control and effluent treatment and handling machinery, manufacturing systems, bearings, chains, fasteners, gears, transformers, cold storage & airconditioning machinery and parts, components and accessories thereof.
61. To manufacture, produce, sell, buy, import, export, let on hire, repair/ service or otherwise deal in all types of consumer durables including all types of home appliances and parts, components and accessories thereof.
62. To carry on all or any of the business as buyers, sellers, import-traders, export-traders, importers, exporters, distributors, agents, brokers, stockists, commission agents and dealers of all kinds of consumer, industrial or engineering goods, commodities, products or materials as may be permissible under trade policies and to act as a recognised trading house and/or export house and to carry on any business connected therewith.

63. To carry on the activities in the field of bio-technology and non-conventional energy sources by undertaking manufacture, production or providing services as may be necessary.
64. To acquire by purchase or otherwise, land, buildings, houses, bungalows, flats and other forms of residential premises, factories, offices and commercial premises, farms and any other kind of estate or property for developing, constructing, cultivating, farming, planting, houses and commercialising and any other use relating to the business of real estate and to sell, lease, rent out and sell on hire-purchase and otherwise deal in the aforesaid properties in such manner as may be required.
65. To carry on the business of manufacture, buying, selling or otherwise dealing in food products, aerated waters and brewers, distillers of beer, wines, spirits and liquors of every description whether intoxicating or not.
66. To undertake all the functions and activities of merchant bankers including advice to companies with regard to appropriate means of financing, channelising funds including non-resident funds, mergers/ amalgamations and acquisitions, shares/ debentures/bonds and to carry out the media publicity plans and related matters.
67. To carry on all or any of the business of registrars & transfer agents, underwriters and issue house and to offer data processing and other related facilities in connection with such business.
68. To carry on the business of industrial financing, including factoring, discounting, purchasing, acquiring or otherwise dealing in any manner with the bills receivables, invoices and other obligations/bills at sight of other companies, supplier's guarantee and to guarantee the payment of money of any company or of any authority and to guarantee or stand surety for the performance of any contracts or obligations and to give indemnities of all kinds as may be necessary.
69. To carry on the business of systems and applications software for both Indian and export markets and to otherwise deal in systems design, software engineering, programming, data processing, training, research, development of software packages and tools and computerisation and to carry on business as consultants in the field of computerisation and development of software packages and solutions in and outside India.
70. To design, configure and offer services in the form of websites, business to business portals, business to consumer portal, vertical industry exchanges, search engines, web enabled knowledge and expertise management solutions and other intranet, internet and network based solutions, e-commerce solutions, etc.
71. To carry on the business of remote processing services, which are Information Technology enabled, inter-alia, in the areas of medical transcription, healthcare, insurance and any other area of Information Technology enabled remote services including services such as call centres, insurance claim handling, HTML coding, text publishing and other such Information Technology enabled services.

72. To design, manufacture, market, import, export, trade, install, assemble, hire, repair, erect, service, use or otherwise deal in software, hardware, process control and systems, magnetic instrumentation systems, equipments, computer networking and communication accessories and spare parts.
 73. To invest in, acquire, hold, underwrite, sell or otherwise deal in shares, stocks, debentures, debenture stocks, bonds, negotiable instruments, securities of any company, Government, Public Body or Authority, Municipal and Local Bodies, whether in India or abroad. Sub-Clause 73 to 77 inserted vide Special Resolution dated 04.12.2008
 74. To act as consultants or advisers of any firm, body corporate, association or other undertaking and generally subject as aforesaid, to act as consultants or advisers and to undertake or take part in the management supervision or control of the business or operations of any person, firm, body corporate, association or other undertaking and, if necessary, for such purpose or purposes to appoint and remunerate any officers of the company, accountants or other experts or agents.
 75. To act as financial intermediaries/portfolio managers, fund managers, asset managers and to pool, mobilize and manage the funds of any person or company by investment in various avenues like Growth Fund, Income Fund, Risk Fund, Tax-exempt Funds, Pension/Superannuation Funds and to pass on the benefit of portfolio investments to investors as dividend, bonus, interest and to provide complete range of personal financial services.
 76. To carry on the business of financial and investment consultants, finance brokers, stock brokers, underwriters, registrars, issue house, portfolio management.
 77. To engage in all activities which are incidental and allied or related to insurance business and for this purpose to apply, approach, acquire, hold and procure such rights, titles, entitlements, licences and permissions from Government, Semi-Government, local authorities, public bodies, undertaking and from such other authorities as may be necessary and expedient.
- IV. The liability of the members is limited.
- V. The share capital of the Company is Rs. 230,000,000 (Rupees Twenty Three Crores only) divided into 10,000,000 (One Crore only) Equity Shares of Rs. 10/- each and 13,000,000 (One Crore Thirty lakhs only) Preference Shares of Rs. 10/- each, with the power to increase, reduce, divide and/or sub-divide the share capital and attach thereto respectively such preferential, priority, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to dividend, voting, return on capital, distribution of assets or otherwise, howsoever, as may be determined in accordance with the law and the regulations from time to time, of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may from time to time, be provided by the regulations/resolutions of the Company and to consolidate or sub-divide or re-organize shares or issue shares of higher or lower denominations.

Altered vide Hon'ble Delhi High Court's order dated 24th February 2011 passed under section 394 of the Companies Act, 1956 in Co. Petition No. 467/2010

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

Sl. No.	Names, addresses and description of subscribers	No. of shares taken	Signatures of the subscribers	Signature of Witnesses with addresses and occupations
1.	Narayanan Ramanathan S/o Shri B. Narayanan C-11, Kailash Colony, New Delhi - 110 048 Service	1 (One)	Sd/-	<p style="text-align: center;"> Inderjit Joshi S/o Shri Rawanji Joshi 15/23, Duples, Vasundhara, Link Road, Ghaziabad Service </p>
2.	Om. Prakash Gupta S/o Shri Bhagwati Prasad 22/16 (1 st Floor) Old Rajinder Nagar New Delhi - 110 060 Service	1 (One)	Sd/-	
3.	Naganathan Gopalakrishnan S/o Shri R. Naganathan C-8/8118 Vasant Kunj, New Delhi - 110 070 Service	1 (One)	Sd/-	
4.	Thittapulli Lakshmana Raman S/o Shri T.R. Lakshmana Flat No. 7354, Pocket D-7 Vasant Kunj, New Delhi - 110 070 Service	1 (One)	Sd/-	
5.	Anoop K. Joshi S/o Shri S.D. Joshi VI-H/19, Sector-5, Rajendra Nagar, Sahibabad Service	1 (One)	Sd/-	
6.	Narandera Kumar Gupta S/o Late Shri L.C. Gupta B-2/14, Brij Vihar Pitam Pura Delhi - 110 034 Service	1 (One)	Sd/-	
7.	Viney Kumar Dua S/o Shri Inder Lal Dua 165-A, M.I.G. Flates, Rajouri Garden New Delhi - 110 027	1 (One)	Sd/-	

Dated, the 23rd day of March, Two Thousand

**ARTICLES OF ASSOCIATION
OF
KAMA HOLDINGS LIMITED**

INTERPRETATION

1. (i) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.
- (ii) In these regulations:-
 - (a) "the Act" means the Companies Act, 1956.
 - (b) "Proxy" includes Attorney duly constituted under a Power of Attorney.
 - (c) "the seal" means the common seal of the Company.
 - (d) "In writing" and "written" include printing, lithography and other modes of representing or reproducing words in a visible form.

In these regulations words importing the singular shall include the plural, and vice versa, and words importing the masculine gender shall include females, and words importing persons shall include bodies corporate.

2. Save as reproduced herein the regulations contained in Table 'A' in Schedule I of the Act shall not apply to the Company.

SHARE CAPITAL & VARIATION OF RIGHTS

3. (i) Subject to the provisions of the Act and these Articles, any shares in the Company may be issued with such preferred or other special rights, or such restrictions, whether in regard to dividend or repayment of capital or both, as the Company may from time to time by ordinary resolution determine, and any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and conditions as may be determined by the Company in general meeting.
- (ii) Unless the Company in General Meeting otherwise determines or the terms of issue of Redeemable Preference Shares otherwise provide, the redemption of Redeemable Preference shares shall be effected in the manner set out below:-
 - (a) The redemption shall be made by repayment of capital paid up on such shares, together with premium, if any, agreed to be paid on redemption

at any time or times after such date or dates as the Directors may determine.

- (b) Such shares may be redeemed in entirety or in parts. In the latter case, the Directors may decide the number of shares and the individual shares to be redeemed on each occasion in such manner as they may deem fit.
 - (c) The registered holders of the shares to be redeemed shall be given one month's notice of the intention of the Directors to redeem the same as aforesaid at their registered addresses and also by public notice in at least two newspapers, of which one should be in Hindi and other in English, circulating in and around the place where the Registered Office of the Company is situated. The notice for redemption to the registered shareholders shall specify the particulars of the shares to be redeemed, the date fixed for redemption and the place at which the certificates for such shares are to be presented for redemption. On or before the date fixed for redemption, the holder of such shares shall be bound to deliver to the Company at the specified place the related share certificate/s for cancellation. If any certificate so delivered to the Company includes shares not redeemable on the date, a fresh certificate for unredeemed shares shall be issued to the registered holder of the shares.
 - (d) Upon surrender of the shares as aforesaid and after the expiry of the date fixed for redemption, the company shall pay to such holder the amount paid up thereon together with premium, if any agreed to be paid on redemption and accumulated dividend, subject to deduction of income - tax at the prescribed rates whether declared or not on the capital paid up upto the date of redemption, whereafter dividend shall cease to accrue on the shares so redeemed.
- (iii) Option or right to call of the shares shall not be given to any person or persons except with the sanction of the Company in General Meeting.
 - (iv) In the event of winding up, the preference shareholders of the Company will be entitled to receive all arrears of dividend accrued upto the commencement of the winding up, whether such dividends have been earned or declared or not.
- 3A (i) The Company may from time to time in general meeting, issue Cumulative Convertible Preference shares on such terms and conditions as it may by Ordinary Resolution determine. Such Cumulative Convertible Preference shares, shall have voting rights as are applicable to Preference shares under the Companies Act, 1956 and may be compulsorily and automatically, or at the option of the holder, convertible into Equity shares of the Company at the expiry of such period as the respective terms of issue may specify. The right

to receive arrears of dividend, if any, on the Cumulative Convertible Preference shares so issued upto the date of conversion shall devolve on the holders of Equity shares on such conversion.

- (ii) If under an optionally convertible preference share, the option of conversion is not exercised within the time prescribed by the terms of issue or by the Board, such convertible preference shares shall be redeemable on such date or dates as the terms of issue shall provide, which shall in any case not be later than 10 years after the issue of the respective shares and for this purpose, the provisions of clause (ii) of Article 3 shall, unless inconsistent with the terms of issue, apply.
- 4
 - (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class, unless otherwise provided by the terms of issue of the shares of that class, may subject to the provisions of sections 106 and 107, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.
 - (ii) To every such separate general meeting, the provisions of these regulations relating to general meeting shall mutatis mutandis apply.
- 5. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
- 5A In the event that issue of equity shares with non-voting rights attached to such shares is permitted by law, the Directors may from time to time issue such non-voting equity shares upon such terms and conditions and with such rights and privileges (including with regard to dividend) annexed thereto as may be thought fit and permitted and/or required by law, guidelines issued by statutory authorities and listing requirements.
- 5B The Company shall have power, subject to and in accordance with the applicable provisions of the Act (including any notification or reenactment thereof from time to time), to purchase/acquire any of its own shares whether or not they are redeemable and to make payment therefor.
- 6.
 - (i) The Company may exercise the powers of paying commissions conferred by Section 76, provided that the rate per cent, or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section.
 - (ii) The rate of the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued and in the case of debentures, two and a half per cent of the price at which the debentures are issued.

- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other.
 - (iv) The Company may also, on any issue of shares or debentures, pay such brokerage as may be lawful.
- 7. Except as required by law, the Company shall not be bound to recognise any person as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise, even when having notice thereof, any equitable, contingent, benami, future or partial interest or claim in any share, or any interest or claim in any fractional part of a share, or, except only as by these regulations or by law otherwise provided, any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 8.
 - (i) Every person whose name is entered as a member in the register of members or in the register of holders of debentures shall be entitled to receive within three months after allotment or within such other period as section 113 of the Act provides:-
 - (a) One certificate for each class of shares or debentures without payment; or
 - (b) Several certificates each for or one or more of his shares or debentures, upon payment of one rupee or such smaller amount or without payment of any fee as the Board may decide for every certificate after the first.

Provided, however, that the Company may not entertain an application for sub-division/ consolidation of share or debenture certificates, as the case may be, into denomination less than the respective market units of trading, except where such sub-division/ consolidation is necessitated to comply with an order of a competent court of law/ authority or in cases where in the option of the Board, it is necessary so to do to mitigate hardship.
 - (ii) Every certificate shall be under the seal and shall specify the number and distinctive numbers of the shares or debentures to which it relates and the amount paid up thereon.
 - (iii) In respect of any share or shares or any debenture or debentures held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share or debenture to one of several joint holders shall be sufficient delivery to all such holders.
- 9.
 - (i) If a share or a debenture certificate is torn, defaced, lost or destroyed, it may be renewed on payment of one rupee or such smaller amount as the Board may decide, and on such terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

- (ii) If any share or debenture certificate is old, decrepit, worn out, defaced, mutilated or torn or if there is no further space on the back of a share or debenture certificate for endorsement of transfer then upon production of the same to the Company, the Company may order for the cancellation of the certificate and for the issue of a new certificate in lieu thereof without fee or on payment of one rupee or such smaller amount as the Board may decide.
10. Notwithstanding anything in Articles 8 and 9 above, the Directors shall however, comply with such requirements of the Stock Exchange where shares of the Company may be listed or such requirements of any Rules made under the Act or such requirements of the Securities Contracts (Regulation) Act, 1956, as may be applicable.

LIEN

11. The Company shall have no lien on its fully paid up shares. In the case of partly paid up shares, the Company shall have a first and paramount lien only in respect of moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this Article.
12. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:
- Provided that no sale shall be made:-
- (a) Unless a sum in respect of which the lien exists is presently payable; and
 - (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
13. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
14. (i) The proceeds of the sale shall be received by the Company and applied in

payment of such part of the amount in respect of which the lien exists as is presently payable.

- (ii) The residue, if any, shall subject to a like lien for sums not presently payable as existed upon shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

- 15. (i) The Board may, from time to time, make calls upon the members in respect of, any moneys unpaid on their shares, whether on account of the nominal value of the shares or by way of premium, and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall be payable at less than one month from the date fixed for the payment of last preceeding call.

- (ii) Each member shall, subject to receiving at least fourteen days' notice pay to the Company at the time or times and place or places specified in the notice the amount called on his shares.
 - (iii) A call may be revoked or postponed at the discretion of the Board.
- 16. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
 - 17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
 - 18. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment not being later than the last date specified in the notice of forfeiture for payment of the sum due and interest thereon, at eighteen per cent or at such lower rate, if any as the Board may determine.
 - (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
 - 19. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be call duly made and payable on the date on which by the terms of issue such sum becomes payable.
 - (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

20. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
21. On the trial or hearing of any suit for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the register of members of the Company as the holder or one of the holders of the shares in respect of which such debt accrued; that the resolution making the call is duly recorded in the minute book; and that notice of such call is duly given to the member sued, in pursuance of these presents, and that the call is unpaid, and it shall not be necessary to prove the appointment of the directors who made such call, or any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
22. The Board :
- (a) May, if it thinks fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon shares held by him; and
 - (b) Upon all or any of the moneys so advanced, may, until the same would, but for such advance, become presently payable, pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, eight per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance, provided that monies paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in profits.

The money so paid in advance of call shall not be regarded as a loan to the Company and shall not be refundable.

TRANSFER OF SHARES

23. (i) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the register of members or register of debenture holders in respect thereof.

Provided, however, that payment of dividend, offer of right shares and issue of bonus shares, if any, shall be made by the Company in accordance with Section 206A of the Act.

24. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act and of any statutory modification thereto, for the time being, shall be complied with in respect of all transfers of shares and the registration thereof.

25. The Board shall not refuse to register the transfer of any share/debenture except on one or more of the following grounds:

- (i) That the instrument of transfer is not proper or has not been duly stamped and executed or that the certificate relating to the share/debenture has not been delivered to the Company or that any other requirement under the law relating to registration of such transfer has not been complied with;
- (ii) That the transfer of the share/debenture is in contravention of any law;
- (iii) That the transfer of the share/debenture is likely to result in such change in the composition of the Board of Directors as would be prejudicial to the interests of the Company or to the public interest;
- (iv) That the transfer of the share/debenture is prohibited by any order of any court, tribunal or other authority under any law for the time being in force;
- (v) That the share/debenture is partly paid-up and on which the Company has a lien under the provisions of these Articles;
- (vi) That there is any other just and sufficient ground.

25A. Without in any way derogating from the powers conferred on the Board by Article 25, the Board may be entitled to decline to register any transfer of shares/debentures less than the market unit of trading of shares/debentures of the Company subject, however, to the following exceptions:

- (i) Transfer of shares/debentures made in pursuance of any provisions of law or statutory regulation or an order of a competent court of law/authority;
- (ii) Transfer of the entire holding of shares/debentures by a share holder/debenture holder holding less than the respective market units of trading of the Company's shares/debentures by a single transfer to a single or joint names; or
- (iii) Transfer of shares/debentures:
 - (a) by a transferor whose share/debenture holding after the transfer will result in his holding the market unit of trading of the Company's share/debentures or a multiple of such units, as the case may be; or
 - (b) to one or more transferee(s) whose share/debenture holding after the transfer (in case of transfer from more than one transferor all transfers being presented to the Company for approval simultaneously) together with the shares/debentures already held by him/them will result in a holding of the respective market units of trading of the Company's shares/debentures or a multiple of such units, as the case may be; or
- (iv) Transfer of shares/debentures of less than the market unit of trading held by a share/debenture holder, where the Board may at its discretion and in exceptional circumstances or in cases of genuine hardship or for any other

just and sufficient cause (the decision of the Board being final and conclusive), accept such transfer.

The provisions of this Article shall not apply to a transmission of shares/ debentures.

26. The Company may decline to recognise any instrument of transfer of shares unless the instrument of transfer duly stamped and executed is accompanied by the certificate or certificates of shares to which it relates and such other evidence as the Board may require to show the right of the transferor to make the transfer.

27. Subject to the provisions of section 154 of the Act, the registration of transfers may be suspended at such times and for such periods as the Board may, from time to time, determine.

Provided that such registration shall not be suspended for more than forty-five days in the aggregate in any year.

28. (i) Notwithstanding anything contained in these Articles and subject to the provisions of Sections 109A and 109B of the Companies Act, 1956, every member and debentureholder of the Company may at any time nominate in the prescribed manner, a person to whom his shares or debentures of the Company shall vest in the event of his death.
- (ii) In case of more than one holder, the joint holders may together nominate, in the prescribed manner a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
- (iii) The nominee shall, on the death of the holder of shares or debentures of the Company or all the joint holders thereof as the case may be, become entitled to all the rights in such shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (iv) Where nominee is a minor, the holder of shares or debentures of the Company may appoint a person to become entitled to such shares or debentures, in the event of his death during the minority of nominee.
- (v) Only individual holders of shares or debentures can make nominations. Non individuals including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family (HUF), Holder of Power of Attorney cannot nominate and none of these can be appointed as a nominee.
- (vi) Transfer of shares or debentures in favour of a nominee and payment of amount of debentures on redemption to nominee shall be valid discharge by the Company against the legal heirs.

TRANSMISSION OF SHARES

29. (i) On the death of a member, the survivor or survivors, where the member was a joint holder, and his legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (ii) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a grant of Probate or Letters of Administration or other legal representation as the case may be, from some competent court in India and having effect in Delhi.

Provided nevertheless that in any case, where the Board in their absolute discretion think fit, it shall be lawful for the Board to dispense with the production of Probate or Letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board in their absolute discretion, may consider adequate.

- (iii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
30. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced, and subject to such indemnity, if any, as may from time to time properly be required by the Company and subject as hereinafter provided, elect, either:-
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Company shall in either case, have the same right to decline or suspend registration as it would have had if the deceased or insolvent member had transferred the share before his death or insolvency.
31. (i) If the person so becoming entitled shall elect to be registered as holder of the shares himself he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

32. A person becoming entitled to a share by reason of the death, or insolvency, or liquidation of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Company may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within such time, not being less than fourteen days, as the Company may prescribe, the Company may withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

33. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
34. The notice aforesaid shall :
- (a) name a further day, not being earlier than the expiry of fourteen days from the date of service of the notice, on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.
35. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
36. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and any entry of the forfeiture with the date thereof shall forthwith be made in the register, but no such forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
37. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before sale or disposal as aforesaid, the Board may annul the forfeiture on such terms as it thinks fit.

38. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture were presently payable by him to the Company in respect of the shares.
- (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.
39. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
40. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (ii) The declaration aforesaid and the receipt of the Company for the consideration, if any, given for the share on any sale or disposal thereof shall constitute a good title to such shares. The Company may appoint some person to execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (iii) The transferee shall thereupon be registered as the holder of the share.
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share.
- (v) The validity of sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
41. Where any share, under the powers in that behalf herein contained, are sold by the Company and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Company may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered up.
42. The provisions of these regulations as to forfeiture shall apply in the case of issue or a non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

43. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
44. The Company may, by ordinary resolution -
- (a) Consolidate and divide all or any of its share capital into shares of large amount than its existing shares;
 - (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject, nevertheless, to the provisions of clause (d) of sub-section (i) of section 94 of the Act.
 - (c) cancel any share which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
45. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:
- (a) its share capital;
 - (b) any share premium account; or
 - (c) any capital redemption reserve fund.

Provided that such special resolution shall not be necessary in case of application of share premium account and capital redemption reserve fund in the manner prescribed under sections 78 and 80 of the Act.

45A (i) Definitions

For the purpose of this Article:-

'Member' means a member as defined under Section 41 of the Companies Act, 1956.

'Beneficial owner' means a person whose name is recorded in the Register maintained by a Depository under the Depositories Act, 1996.

'SEBI' means the Securities and Exchange Board of India.

'Depository' means a company formed and registered under the Act and which has been granted a certificate of registration by SEBI under the provisions of the Securities and Exchange Board of India Act, 1992.

'Security' means such security as may be specified by SEBI from time to time.

(ii) Dematerialisation of securities

Notwithstanding anything contained in these Articles, the Company shall be

entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the provisions of the Depositories Act, 1996 or otherwise.

(iii) Issue of securities and option for investors

Notwithstanding anything contained in these Articles, an issue of security by the Company may also be in the dematerialised form and the Company shall intimate the details of allotment to the depository immediately on allotment of such securities.

Investors in a new issue and the beneficial owners shall have the option to rematerialise the securities subsequent to the allotment or dematerialisation, as the case may be, in which event the Company shall issue to the investor / beneficiary the required certificates of securities subject to the provisions of applicable laws, rules, regulations or guidelines. The shares so rematerialised shall bear new distinctive numbers so as to identify them from the shares not dematerialised.

(iv) Securities in depository mode to be in fungible form

All securities held in the depository mode with a depository shall be dematerialised and be in fungible form. To such securities held by a depository on behalf of a beneficial owner, nothing contained in Sections 153, 153A, 153B, 187B and 187C of the Act shall apply.

(v) Right of Depositories and Beneficial Owners

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have other membership rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the register maintained by a depository shall be deemed to be a member of the Company. The beneficial owner of securities shall alone be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities held in the depository mode of which he is the beneficial owner.

(vi) Service of documents

Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository mode, the records of the beneficial owner may be served by a depository on the Company by means of electronic mode or by delivery of floppies or discs.

(vii) Transfer of securities

Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the Register maintained by a depository under the Depositories Act, 1996.

(viii) Distinctive numbers of securities held in the Depository mode

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the depository mode.

(ix) Register and Index of Beneficial Owners

The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of members and holders of securities for the purposes of these Articles and the Act."

GENERAL MEETINGS

46. (a) The Company shall in each calendar year hold, (in addition to any other meeting/s in that year) a general meeting as its Annual General Meeting, at the intervals, and in accordance with the provisions of the Act.
- (b) All general meetings other than Annual General Meetings, shall be called extra-ordinary general meetings.
47. The Board may, whenever it thinks fit, call an extra-ordinary general meeting and extra-ordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists as provided by section 169 of the Act. If at any time there are not within India directors capable of acting who are sufficient in number to form a quorum, the director or directors of the Company in India may call on extra-ordinary general meeting in the same manner as nearly as possible, as that in which a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

48. Five members present personally shall form a quorum for a general meeting, and no business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.
49. The Chairman of the Board shall preside as Chairman at every General Meeting of the Company. In the absence of the Chairman of the Board, the Vice-Chairman of the Board shall so preside.
50. If there is no Chairman/Vice Chairman of the Board or if at a meeting, the Chairman/Vice-Chairman of the Board is not present within fifteen minutes after the time

appointed for holding such meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their number to be Chairman of the meeting.

51. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be Chairman of the meeting.
52. (i) The Chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
(iv) Save as aforesaid, it shall be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
53. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

VOTES OF MEMBERS

55. Subject to any rights or restrictions for the time being attached to any class or classes of shares:-
 - (a) on a show of hands, every member present in person shall have one vote; and
 - (b) on a poll, the voting rights of members shall be as laid down in section 87.
56. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. Several executors or administrators or legal representatives of a deceased member in whose name any share stands shall, for the purpose of this Article be deemed joint holders.

For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

57. (i) A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

- (ii) A minor member may vote, whether on a show of hand or on a poll, through his guardian duly appointed by a Court of competent jurisdiction, or if no such guardian is appointed through his guardian registered in the register of members, and any such guardian may, on a poll, vote by proxy.
58. No member shall be entitled to vote in respect of any share registered in his name, whether singly or jointly with, on which any call or other sums presently payable by him have not been paid on in regard to which the Company has and has exercised any right of lien.
59. (i) No objection shall be raised to the qualification of any voter, whether on show of hands or on a poll, except at the meeting or adjourned meeting at which the vote objected is to given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
60. (i) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default, the instrument of proxy shall not be treated as valid.
- (ii) No member shall be entitled to appoint more than one proxy to attend the same meeting or any adjournment thereof.
61. In case a proxy is lodged before the expiry of the time, and another proxy in favour of another person is lodged after the expiry of the time, the first proxy shall not be deemed to have been revoked.
62. An instrument appointing a proxy shall be in either of the forms in Schedule IX to the Act or a form as near thereto as circumstances admit.
63. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given.

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

64. Until otherwise determined by a general meeting, the number of Directors of the Company shall not be less than three nor more than fifteen. The first Directors of the Company are:-

1. Shri Narayanan Ramanathan
2. Shri Om Prakash Gupta
3. Shri Naganathan Gopalakrishnan

65. The Directors shall have authority from time to time to appoint or accept the nomination of Directors, not liable to retirement by rotation, subject to the condition that the number of such Directors, as are not liable to retirement by rotation, shall at no time exceed one third of the total number of Directors for the time being of the Company.

65A Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Financial Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LICA AND Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as "the Corporation) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, wholetime or non-wholetime (which Director or Directors is/are hereinafter referred to as 'Nominee Director/s') on the board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Directors shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in

exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings, and the meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment of Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is/are an officer of the Corporation, the sitting fees in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India, the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Provided also that in the event of the Nominee Director/s being appointed as whole-time Director/s which may be exercised only in the case of a default, such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a whole-time Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Lenders.

65B. Notwithstanding anything to the contrary contained in these articles and subject to Article 65A of the Articles of Association of the Company and subject further to these present, if any debentures have been issued by the Company, inter-alia, conferring on the holders of the said debentures the right to nominate a Director, then in the case of any and every such issue of debentures, the person or persons having such power, may exercise such power, from time to time, and to appoint a Director accordingly. Any Director so appointed may be removed from office at any time by the person or persons in whom for the time being the power under which he was appointed is vested and any other person may be appointed as a Director in his

place. The Director so appointed shall not be liable to retire by rotation nor required to hold any qualification share.

Provided however, the power under this Article can be exercised only through the Agent and Trustees of debenture holders in terms of issue of the Debentures, only if the Company makes default in the payment of interest/repayment of principal on due dates.

66. A Director shall not be required to hold any qualification shares in the Company.
67. (i) The remuneration of every Director by way of sitting fee for each meeting of the Board or a Committee thereof attended by him shall be such sum as the Board may determine from time to time but not exceeding such sum as may be prescribed by the Act or the Central Government from time to time.
- (ii) The Directors shall also be entitled to payment of travelling allowance for attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company, or for any journeys performed in connection with the business of the Company at the following scale, viz.
- (a) Where the journey is performed by air, 1 1/4th of the plane fare.
- (b) Where the journey is performed by rail, 1 1/3 of the fare by air conditioned coach or first class as the case may be.
- (c) Where the journey is performed by road, actual expenses.
- (iii) The Directors shall be further entitled to re-imbursement of their reasonable hotel and other expenses incurred in connection with attending Board meeting including Committee Meetings, General Meetings and any other business of the Company.
68. If any director being, willing, shall be called upon to perform extra services or entrusted with any extra work or to make any special exertion for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of directors or otherwise, such director may be remunerated in such manner as may be determined, subject to the provisions of Sections 309 and 314 of the Act.

POWER OF DIRECTORS

69. (i) Subject to the provisions of the Act, Board of Directors shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do in furtherance of its objects, specified in the Memorandum of Association, for which the Company is established, except such powers which are required by the Act or the Memorandum or Articles of Association of the Company to be exercised or done by the Company in general meeting. In exercising any such powers or doing any such acts or things, the

Board shall be subject to the provisions contained in that behalf in the Act, or in the Memorandum or Articles of the Company or in any regulations not inconsistent therewith and duly made thereunder, including regulation made by the company in general meeting.

- (ii) No regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if the regulation had not been made.

- 70. The Company may exercise the powers conferred on it by Sections 157 and 158 with regard to the keeping of a foreign register; and the Board may, subject to the provisions of those sections, make and vary such regulation, as it may think fit, respecting the keeping of any such register.
- 71. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by the managing director/s or manager of the Company or by such person and in such manner as the Board shall from time to time by resolution determine.
- 72. The Board shall not, except with the consent of the Company in General Meeting borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), and remaining outstanding and undischarged for the time being will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.
- 73. The Directors are authorised to pay donations to any individuals or contribute to any charitable, religious, benevolent, national public or general and other funds not directly relating to the business of the Company, or the welfare of its employees, any sums the aggregate of which will, in any financial year, not exceed twenty five thousand rupees or five percent of the average net profits of the Company, as determined in accordance with Section 349 and 350 of the Act, during the three financial years immediately preceding, whichever, is greater and may, with the consent of the Company in general meeting, contribute any sums in excess of such limits.
- 74. The Board may authorise or empower any director or directors, managing directors, manager or secretary of the Company either by name, by virtue of office or otherwise, or any other person or persons, either singly or jointly, to exercise or perform all or any of the powers, including the power to sub-delegate, authorities and duties conferred or imposed on the directors by law or articles of association, subject to such restrictions and conditions, if any, and either generally or in specific cases as the Board may think proper.
- 75. The Board may appoint and, at their discretion, remove or suspend such officers,

by whatsoever designation called, managers, engineers, experts, legal advisers, solicitors, clerks, agents, salesman, workmen, and other servants or professionals, for permanent, temporary or special services, as the board may from time to time think fit and determine their duties, fix their salaries or emoluments and delegate to or confer upon them such powers, including the power to sub-delegate authorities and discretions as the Board may think fit.

76. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
77. (i) The Board shall have power at any time, and from time to time, to appoint a person as an additional director who shall hold office until the next following general meeting.
- (ii) Such person shall, however, be eligible for appointment by the Company at that meeting as a director, after the meeting has, if necessary, increased the strength of the Board.

PROCEEDINGS OF BOARD

78. (i) The Board of Directors may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of a Board.
79. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In a case of equality of votes, the Chairman of the meeting, if any, shall have a second or casting vote.
80. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
81. (i) The Board, from time to time, may elect one of their number to be (a) the Chairman of the Board, (b) the Vice-Chairman of the Board and the Board shall determine the period for which each of them is to hold such office.
- (ii) If at any meeting of the Board the Chairman is absent, the Vice-Chairman shall be the Chairman of the meeting; and if both of them are absent or are not present within five minutes of the appointed time for holding the meeting, or if no Chairman/Vice-Chairman has been elected, the Directors present shall choose one of their number to be the Chairman of such meeting.
82. (i) The Board may, subject to the provisions of the Act, delegate any of its powers

to committees consisting of such member or members of its body as it thinks fits.

- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board. All acts done by any such committee in conformity with such regulations and in fulfillment of purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

Explanation : Membership of any committee constituted hereunder shall not confer on the director(s) concerned individually or collectively the powers or other authority of a managing director.

- 83. (i) A committee may elect a chairman of its meeting.
- (ii) If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be chairman of the meeting.
- 84. (i) A committee may meet and adjourn as it thinks proper.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of any equality of votes, the Chairman shall have a second or casting vote.
- 85. All acts done by any meeting of the Board or of a committee thereof or any person acting as a director, shall be notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- 86. Save as otherwise expressly provided in the Act, a resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, if the same has been circulated in draft, together with the necessary papers, if any, to all the directors, or to all the members of the committee, then in India, not being less in number than the quorum fixed for a meeting of the Board or committee, as the case may be, and to all other directors or members at their usual addresses in India, and has been approved by such of the directors as are then in India or by a majority of such of them as are entitled to vote on the resolution.
- 87. The Directors may, from time to time, appoint one or more Directors as the Managing Director or joint Managing Directors for such term and with such powers and at such remuneration, whether by way of salary or commission, or partly in one way and partly in another, as they may think fit, and a Director or Directors so appointed shall not, while holding that office be, subjected to retirement by rotation, or taken into account in determining the rotation or retirement of Directors.

Subject to the control, direction and supervision of the Board of Directors, the Managing Director or joint Managing Directors shall be entitled to look after and manage the business of the Company, purchase and sale of goods, enter into and sign contracts, borrow or lend money with or without security, open bank accounts, current or overdraft, sign, draw and endorse, cheques, hundies and other drafts and generally to do all such acts, deeds and things and sign all such papers and documents as may be necessary for carrying on the business and managing the affairs of the Company.

88. (i) A manager or secretary may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any manager or secretary so appointed may be removed by the Board.
- (ii) A director may be appointed as Manager or Secretary.
89. Any provision of the Act or of these regulations requiring or authorising a thing to be done by a director and the manager or secretary shall not be satisfied by its being done by the same person acting both as director and as, or in place of, the manager or secretary.

THE SEAL

90. The Directors shall provide a Common Seal for the purpose of the Company and, from time to time, destroy the same and substitute a new Seal in lieu thereof, and shall provide for the safe custody of the Seal for the time being. The Seal of the Company shall only be affixed to any instrument or any document by the authority of the Directors or of a Committee of the Directors authorised by the Directors in that behalf, and unless otherwise provided by the Act or any rules made thereunder, in the presence of a Director of the Company or a constituted Attorney or the Secretary or such other person/persons appointed for the purpose by the Directors. The Director or the constituted Attorney or the Secretary or the person or persons in whose presence the Seal of the Company is affixed to an instrument or any document shall sign the same.
91. The Company may exercise the powers conferred by Section 50 with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

DIVIDENDS AND RESERVES

92. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
93. The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
94. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which

the profits of the Company may be properly applied, including, provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments other than shares of the Company, as the Board may, from time to time, think fit.

- (ii) The Board may also carry forward any profit which it may think prudent not to divide, without setting them aside as a reserve.
95. (i) Subject to the rights of persons, if any, entitled to share with special rights as to dividend, all dividend, shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this regulation as paid on the shares.
 - (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credit as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
96. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
97. Any general Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may be set off against the call.
98. No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of profits or reserve of the Company for the purpose of issuing full paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.
99. (i) Any dividend/interest or other moneys payable in cash in respect of shares or debentures may be paid by cheque or warrant sent through the post direct to the registered address of the holder or, in the case of joint holders, to registered address of that one of the joint holders who is first named on the register of members or the register of the debenture-holders, as the case may be, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
100. Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share.

101. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

102. No dividend shall bear interest against the Company.

103. (i) The Company shall not be responsible for the loss of any cheque, dividend warrant or postal money order sent by post in respect of any dividend, interest or other moneys payable in cash in respect of shares or debentures, whether by request or otherwise, at the registered address or the address communicated to the office before hand by the shareholder or holder of debentures.

(ii) The Company may issue a duplicate cheque or dividend warrant or interest warrant on the shareholder or holder of debentures furnishing such indemnity or otherwise as it may think proper.

104. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them shall be open to the inspection of members not being directors.

(ii) No member, not being a director, shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

CAPITALISATION OF PROFITS

105. (i) The Company in general meeting may, upon the recommendation of the Board, resolve :-

(a) That it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; and

(b) That such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii) either in or towards :-

(a) Paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) Paying up in full, unissued shares in or debentures of the company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

- (c) Partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
 - (iii) A share premium account and a capital redemption reserve fund may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
 - (iv) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
106. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall :-
- (a) Make all appropriations and application of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any; and
 - (b) Generally do all acts and things required to give effect thereto.
- (ii) The Board shall have full power to make such provision by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions.
107. A general meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company be distributed amongst the members on the footing that they receive the same as capital.

WINDING-UP

108. (i) If the Company shall wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divided amongst the members, in specie or kind, the whole or any part of the assets, of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divide as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

109. Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any

proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 in which relief is granted to him by the court.

110. Subject to Section 201 of the Act, no director or other officer of the Company shall be liable for the acts, receipts or defaults of any other director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency of title to any property acquired by order of the directors for or on behalf of the company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

SECRECY

111. Every director, manager, auditor, trustee, member of committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
112. Subject to Article 105 hereof, no member or other person (other than a director) shall be entitled, to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or communicate.
113. A document may be served by the Company on any member either personally, or by sending it by post to him to his registered address, or if he has no registered address in India to the address, if any, within India supplied by him to the company for the giving of notices to him.
114. Where document is sent by post, service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document and to

have been effected in the case of a notice of a meeting at the expiration of 48 hours after the letter containing the same is posted and in any other case, the time at which the letter would be delivered in the ordinary course of post.

115. A document advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly serviced on the day on which the advertisement appears, on every member of the company who has no registered address in India and has not supplied to the Company an address within India for giving of notices to him.
116. A document may be served by the Company to the joint holders of share by serving it on the joint holder first named in the register of members in respect of the share.
117. A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending in through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent, or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.
118. (i) Notice of every general meeting shall be given in any manner herein before mentioned:-
 - (a) to every member of the Company;
 - (b) to the person entitled to a share in consequence of the death or insolvency of a member; and
 - (c) to the auditor or auditors for the time being of the Company.
 - (ii) Any incidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.
119. Any notice to be given by the Company shall be signed by the Managing Director or manager or such officer as may be authorised, by the Board of Directors and the signature thereto may be written, printed, lithographed or stamped.

Sl. No.	Names, addresses and description of subscribers	No. of shares taken	Signatures of the subscribers	Signature of Witnesses with addresses and occupations
1.	Narayanan Ramanathan S/o Shri B. Narayanan C-11, Kailash Colony, New Delhi - 110 048 Service	1 (One)	Sd/-	<p style="text-align: center;"> Inderjit Joshi S/o Shri Rawanji Joshi 15/23, Dupies, Vasundhara, Link Road, Ghaziabad Service </p>
2.	Om Prakash Gupta S/o Shri Bhagwati Prasad 22/16 (1 st Floor) Old Rajinder Nagar New Delhi - 110 060 Service	1 (One)	Sd/-	
3.	Naganathan Gopalakrishnan S/o Shri R. Naganathan C-8/8118 Vasant Kunj, New Delhi - 110 070 Service	1 (One)	Sd/-	
4.	Thittapulli Lakshmana Raman S/o Shri T.R. Lakshmana Flat No. 7354, Pocket D-7 Vasant Kunj, New Delhi - 110 070 Service	1 (One)	Sd/-	
5.	Anoop K. Joshi S/o Shri S.D. Joshi VI-H/19, Sector-5, Rajendra Nagar, Sahibabad Service	1 (One)	Sd/-	
6.	Narandera Kumar Gupta S/o Late Shri L.C. Gupta B-2/14, Brij Vihar Pitam Pura Delhi - 110 034 Service	1 (One)	Sd/-	
7.	Viney Kumar Dua S/o Shri Inder Lal Dua 165-A, M.I.G. Flates, Rajouri Garden New Delhi - 110 027	1 (One)	Sd/-	

Dated, the 23rd day of March, Two Thousand

IN THE HIGH COURT OF DELHI AT NEW DELHI
(Original Jurisdiction)
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF AMALGAMATION,
ARRANGEMENT & RECONSTRUCTION
BETWEEN
Company Petition No.339 of 2001
Connected with
Company Application No.1236 of 2001

IN THE MATTER OF :

SRF Limited,
having its registered office at 'Express Building', 9-10,
Bahadur Shah Zafar Marg,
New Delhi 110 002

Petitioner Company No.1
(within the Jurisdiction of this
Court)

AND

SRF Chemicals Limited,
having its registered office at 'Express Building',
9-10, Bahadur Shah Zafar Marg,
New Delhi 110 002

Petitioner Company No.2
(within the Jurisdiction of this
Court)

AND

IN THE MATTER OF :

M/s. Tyrecord Fabric Limited,
having its registered office at Plot K-1
SIPCOT Industrial Complex, Gumidipoondi,
Tamil Nadu 601 201

Non Petitioner Company
(outside the Jurisdiction of
this Court)

**BEFORE THE HON'BLE MR.JUSTICE MUKUL MUDGAL
DATED THIS 17TH & 22ND DAY OF JANUARY, 2002**

ORDER UNDER SECTION 394

The above petition coming on for hearing on 17 & 22/1/2002 for sanction of the Scheme of Amalgamation, Arrangement & Reconstruction proposed to be made between SRF Limited, SRF Chemicals Limited (hereinafter referred to as "the Petitioner company No.1" and "Petitioner Company No.2" respectively) and M/s Tyrecord Fabric Limited (hereinafter referred to as "the Non Petitioner company"), upon reading the said petition, the order dated 13.8.2001 whereby the meetings of shareholders and creditors of petitioner company No.2 were dispensed with since the shareholders and unsecured creditors of the petitioner company No.2 had given their written consent to the said Scheme and Petitioner Company No.2 had no secured creditors and Petitioner Company No.1 was ordered to convene a meeting of its shareholders and secured & unsecured creditors for the purpose of considering, and if thought fit, approving, with or without modification, the Scheme of Amalgamation, Arrangement & Reconstruction annexed to the affidavit of Shri Arun Bharat Ram, Authorised Signatory of the Petitioner Companies

No.1 & 2 filed on 10.8.2001 and the newspapers namely (1) Indian Express (English) (2) Jansatta (Hindi) both dated 12.9.2001 each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dated 13.8.2001, the affidavit of Shri Mukul Gupta, Advocate filed on 7.9.2001 showing the publication and despatch of the notices convening the said meetings, the report of Chairman of the said meeting filed on 17.10.2001 as to the result of the said meetings and upon hearing Shri Rajiv Nayar, Senior Advocate with S/Shri Sanjay Khaitan, Ashish Dholakia and Abhimanyu Mahajan, Advocates for the petitioner Companies and Shri Saud Ahmed, Asst.Registrar for the Regional Director and it appearing from the reports that the proposed Scheme of Amalgamation, Arrangement & Reconstruction has been approved unanimously without any modification by the said shareholders and creditors of the Petitioner company No.1 present and voting either in person or by proxy and upon reading the affidavit dated 5.1.2002 of Shri L.M.Gupta, Regional Director, Northern Region, Department of Company Affairs, Kanpur on behalf of the Central Government stating, inter-alia, that the Central Government has no objection to the grant of proposed Scheme of Amalgamation, Arrangement & Reconstruction, subject to a submission made in para 9 of the Affidavit regarding change of name of the Petitioner Company No.2 and after considering the submission made by the Petitioner Companies that upon sanction of the Scheme and with effect from the effective date, the Memorandum of Association of SRF Chemicals Ltd., Petitioner Company No.2 shall stand altered and amended by substitution of the following new clause 1 in place and instead of the existing clause 1: "The name of the Company is SRF Polymers Limited" and that the Scheme postulates [para 5.3] that upon the sanction of the Scheme and with effect from the effective date, the name of the Company will become "SRF Polymers Limited" and this would meet the sole objection raised on behalf of the Regional Director, their being no investigation proceedings pending in relation to Petitioner companies under Sections 235 to 251 of the Companies Act, 1956 and the Affidavit of Mr.S.G.Y.Narayanan, Authorised Signatory of the Petitioner Companies, dated 15.01.2002 filed on 15.01.2002 having been filed on record stating that Scheme of Amalgamation, Arrangement & Reconstruction in respect of non-petitioner company has been sanctioned by the Madras High Court vide order dated 21.12.2001.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF AMALGAMATION, ARRANGEMENT & RECONSTITUTION set forth in Schedule -I annexed hereto and DOTH HEREBY DECLARE the same to be binding on all the shareholders and creditors of the Petitioner Companies and Non-Petitioner Company and all concerned from the appointed date to be effective from 1.1.2001.

AND THIS COURT DOTH FURTHER ORDER:

1. That all the property, rights and powers of business undertakings namely EP Division, the FNT Division and the PF Division of SRF Ltd., Petitioner Company No.1 be transferred without further act or deed to the SRF Chemicals Ltd. Petitioner No.2, specified in the First, Second and Third Parts of the Schedule-II hereto and all property, rights and powers of the Tyrecord Fabric Limited (TFL), non-petitioner company be transferred to and vest without further act or deed in

SRF Ltd. Petitioner Company No.1, specified in the First, Second and Third parts of the Schedule-II-A hereto; and

That all the liabilities and duties and employees of the EP, FNT & PF business undertakings and of TFL, Non-Petitioner Company be transferred without further act or deed to the SRF Chemicals Ltd. and SRF Ltd. respectively and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the SRF Chemicals Ltd. and SRF Ltd. respectively.

That all proceedings now pending by or against the EP, FNT and PF and by or against TFL (Non-Petitioner Company) be continued by or against the SRF Chemicals Ltd., Petitioner Company No.2 and by or against SRF Ltd., Petitioner Company No.1 respectively.

That the SRF Chemicals Ltd., Petitioner Company No.2 do without further application allot to such members of the SRF Ltd. Petitioner Company No.1 as have not given such notice of dissent as is required by Clause 8 in the Scheme of Amalgamation, Arrangement & Reconstruction herein the shares in the SRF Chemicals Ltd. to which they are entitled under the said Scheme, and upon the Scheme finally coming into effect and in consideration of the transfer of the said assets and liabilities of TFL to SRF Ltd. in terms of Clause 9 and 15 of the Scheme, the equity shares held by SRF in TFL shall stand cancelled as TFL being a wholly owned subsidiary of SRF Ltd.

That on the Scheme becoming effective, TFL shall stand dissolved without winding up.

The Clause 1 of Memorandum & Articles of Association of SRF Chemicals Limited shall stand altered and amended by substitution of the following new clause "The name of the Company is SRF Polymers Limited".

That the Petitioner Company No.1 & 2 do within 30 days after the date of this order cause a certified copy of this order along with the certified copy of the order passed by the Madras High Court in respect of TFL to be delivered to the Registrar of Companies for registration.

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

SCHEME OF AMALGAMATION, ARRANGEMENT AND RECONSTRUCTION

BETWEEN

SRF LIMITED

AND

SRF CHEMICALS LIMITED

AND

TYRECORD FABRIC LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

PREAMBLE

WHEREAS:

- 1) SRF Limited ("SRF") is a well reputed existing company carrying on business through the following several business undertakings:
 - i) Industrial Synthetics Division,
 - ii) Industrial Fabrics Division,
 - iii) Fluorochemicals Division,
 - iv) Engineering Plastics Division,
 - v) Fishnet Twine Division,
 - vi) Polyester Films Division, and
 - vii) Infotel Division.
- 2) The Industrial Synthetics, Industrial Fabrics and Fluorochemicals undertakings are large, capital intensive businesses, constituting the main business activities of SRF and requiring sharp management focus for maintaining global leadership. The Infotel Division is a nascent new economy business which will require corporate organisational infrastructure and other resources for its growth and development.
- 3) The Engineering Plastics, Fishnet Twine and Polyester Film undertakings are smaller businesses and are primarily 'developmental' and 'outsourcing intensive' businesses where segregation through restructuring is appropriate. These businesses can be conveniently combined and divested in a separate company to facilitate better management focus and nurturing of the distinct competencies required for their success.
- 4) Tyrecord Fabric Limited ("TFL"), a wholly owned subsidiary of SRF, is engaged in the Tyre cord fabric business.
- 5) SRF Chemicals Limited ("SRFC") has been incorporated to carry on the business of manufacture and dealing in polyester films, man made fibre, chemicals, chemical compounds and chemical products of any nature and kind whatsoever.
- 6) It has been decided by the Board of Directors of SRF to take appropriate steps to (i) demerge each of the smaller business undertakings as a going concern and to vest them in SRFC, to (ii) continue to carry on the large businesses and the Infotel Division in SRF, and, to (iii) subsequently merge TFL with SRF, as this would be in the larger interest of all the companies, their shareholders, creditors, employees and the general public.
- 7) The proposed restructuring by way of demerger of the small business undertakings of SRF to SRFC, and merger of TFL with SRF, would result in enhancement of shareholder value by creating focussed entities, consolidating like businesses, lead to operational efficiencies and synergies and enable exploitation of growth opportunities for all companies.
- 8) The Scheme has been arrived at by the respective Boards of Directors of SRF, SRFC and TFL and it has been decided to make the requisite applications before the Hon'ble High Court of Delhi at New Delhi and the Hon'ble High Court of Judicature at Madras for sanction of this Scheme.

PART - I

DEFINITIONS :

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

- 1.1 "Court" means the Hon'ble High Court of Delhi at New Delhi and the Hon'ble High Court of Judicature at Madras or any of them as the context requires.
- 1.1.1 "EP" means the "Engineering Plastics Division" of SRF and shall mean and include the business undertaking for manufacture, sale and dealing in engineering polymers and allied products carried out in the premises of SRF located at Manali Industrial Area, Manali, Chennai 600 068 on a going concern basis and comprising inter alia its assets, moveable or immovable, tangible or intangible, liabilities and debts, all rights, entitlements, privileges, licenses and intellectual property, including the benefit of all contracts and agreements, and all other interests in connection with, appertaining to and/ or allocated to EP as on the Effective Date as per the records of SRF and the employees of SRF engaged in or in relation to EP, more specifically set out in Part II of this Scheme.
- 1.2 "FNT" means the "Fish Net Twine Division" of SRF being the business undertaking comprising inter alia Monomer Recovery, Batch Poly and De-Poly plants for manufacture of Nylon Chips and includes sale and dealing in Polymer Chips, Fish Net Yarn/Twine and allied products carried out in the premises of SRF located at Manali Industrial Area, Manali, Chennai 600 068 on a going concern basis and comprising inter alia its assets, moveable or immovable, tangible or intangible, liabilities and debts, all rights, entitlements, privileges licenses and intellectual property, including the benefit of all contracts and agreements and all other interests in connection with, appertaining to and/ or allocated to FNT as on the Effective Date as per the records of SRF and the employees of SRF engaged in or in relation to FNT, more specifically set out in Part II of this Scheme.
- 1.3 "PF" means the "Polyester Films Division" of SRF and shall mean and include the business undertaking for manufacture, sale and dealing in Polyester film carried out in the premises of SRF located at Plot No. 12, Rampura, Ramnagar road, Kashipur, Distt. Nainital, Uttaranchal, on a going concern basis and comprising inter alia its assets, moveable or immovable, tangible or intangible, liabilities and debts, all rights, privileges entitlements, licences and intellectual property, including the benefit of all contracts and agreements, and all other interests in connection with, appertaining to and/ or allocated to PF as on the Effective Date as per the records of SRF and the employees of SRF engaged in or in relation to PF more specifically set out in Part II of this Scheme.
- 1.4 "Record Date" means the date to be fixed by the Board of Directors or a Committee thereof of SRF for the purpose of determining the members of SRF to whom shares of SRFC will be allotted pursuant to this Scheme.
- 1.5 "SRF" means SRF Limited, a company incorporated under the Companies Act, 1956, having its registered office at Express Building, 9-10 Bahadur Shah Zafar Marg, New Delhi - 110 002.
- 1.6 "SRFC" means SRF Chemicals Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Express Building, 9-10 Bahadur Shah Zafar Marg, New Delhi-110002.
- 1.7 "TFL" means Tyrecord Fabric Limited, a company incorporated under the Companies Act, 1956 and having its registered office and business undertaking at Plot K-1 SIPCOT Industrial Complex, Gumidipoondi, Tamil Nadu 601 201.
- 1.8 "the Act" means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force.
- 1.9 "the Appointed Date" means the 1st day of January, 2001.
- 1.10 "the Effective Date" means the date on which the transfer and vesting of EP, FNT and PF into SRFC, and of the entire undertaking of TFL into SRF shall be complete i.e. the date as specified in Clause 16 of the Scheme.
- 1.11 "the Members of SRF" means the persons who are registered as the holders of the fully paid up Equity Shares in the capital of SRF on the Effective Date or on the Record Date as the Board of Directors of SRF may determine.
- 1.12 "the Scheme" means this Scheme of Amalgamation, Arrangement and Reconstruction including its Annexure(s) under the provisions of Sections 391 to 394 of the Act, in its present form or with any modification(s) approved or imposed or directed by the shareholders of the respective companies and/or by the Court, whereunder EP, FNT and PF are to be transferred to SRFC, and then TFL is to be amalgamated with SRF.

2. SHARE CAPITAL:

- 2.1 SRF has an Authorised Share Capital of Rs.336,00,00,000/- (Rupees Three hundred thirty six crores only) divided into 12,00,00,000 Equity Shares of Rs.10/- each, 10,00,000 Preference Shares of Rs.100/- each, 12,00,000 Cumulative Convertible Preference Shares of Rs.50/- each and 2,00,00,000 Cumulative Preference Shares of Rs.100/- each. SRF has an Issued Share Capital of Rs.70,47,14,110/- (Rupees Seventy crores forty seven lacs fourteen thousand one hundred and ten) divided into 7,04,71,411 Equity Shares of Rs.10/- each. SRF has a Subscribed Share Capital of Rs.65,54,32,808/- (Rupees Sixty five crores fifty four lacs thirty two thousand eight hundred and eighty only) of which the Paid Up Share Capital is Rs. 64,52,60,890/- (Rupees Sixty four crores fifty two lacs sixty thousand eight hundred and ninety only) divided into 6,45,26,089 Equity Shares of Rs.10/- each against which a sum of Rs.33,000/- (Rupees Thirty three thousand) represents calls in arrears and Rs.54,080 is lying with SRF in Share Capital Suspense and Rs.1,01,51,838 (Rupees One crore one lac fifty one thousand eight hundred and thirty eight) is against forfeited shares.
- 2.2 SRFC has an Authorised Share Capital of Rs. 5,00,000/- (Rupees Five Lacs) divided into 50,000 Equity Shares of Rs. 10/- each and an Issued, Subscribed and Paid up Share Capital of Rs.70/- divided into 7 Equity Shares of Rs.10/- each fully paid up.
- 2.3 TFL has an Authorised Share Capital of Rs. 286,00,00,000/- (Rupees Two hundred and eighty six crores) divided into 28,10,00,000 Equity Shares of Rs.10/- each and 5,00,000 Preference Shares of Rs.100/- each and an Issued, Subscribed and Paid up Share Capital of Rs.280,62,18,250/- (Rupees Two hundred eighty crores sixty two lacs eighteen thousand two hundred and fifty) divided into 28,06,21,825 Equity Shares of Rs.10/- each fully paid up.

PART - II

3. DEMERGER AND TRANSFER OF THE BUSINESS UNDERTAKINGS OF EP, FNT AND PF TO SRFC

- 3.1 Subject to the provisions of this Scheme in relation to the modalities of transfer and vesting, the entire undertaking as a whole, comprising the entire business and properties and assets (both immovable and movable) of and /or appertaining to and/or allocated to EP, FNT and PF, wheresoever situated including EP's, FNT's and PF's, inter alia, all other assets, capital work-in-progress, current assets, bank accounts, cash in hand, investments, powers, authorities, allotments, import entitlements and other quotas or benefits, income tax credits, deposits and exemptions, sales tax credits, deposits and exemptions, approvals and consents, licences, central excise registrations, excise credits, deposits and exemptions, contracts, engagements, arrangements, office equipment, telephone, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, earnest money and/or deposits including security deposits, motor vehicles, inventories, rights, titles, interests, benefits and advantages of whatsoever nature and belonging to or in the ownership, power or possession and in the control of or vested in or, granted in favour of or enjoyed by EP, FNT and PF, including but without being limited to all patents, trade names, trade marks, websites and domain name and other intellectual and industrial rights of any nature whatsoever and licenses in respect thereof, all necessary records, engineering and process information, computer programmes, software, liberties, easements, advantages, benefits, privileges, leases, industrial land leases, tenancy rights, entry and occupation rights, ownership flats, quota rights, subsidies, concessions, exemptions, approvals, authorisations, services of all types, benefit of all agreements and all other interests arising to EP, FNT and PF shall, without any further act or deed, with effect from the opening of business as on the Appointed Date, stand transferred to and be vested in or be deemed to be transferred to and vested in SRFC on a going concern basis pursuant to the provisions of Section 394 of the Act, for all the estate, right, title and interest of SRF therein so as to become the property of SRFC but, subject to all mortgages charges and encumbrances, if any, in favour of the banks or the financial institutions or other lenders then affecting EP, FNT and PF as may be modified, re-adjusted, apportioned or re-allocated by them, without such charges in any way extending to the existing undertaking or assets of SRFC.
- 3.2 Notwithstanding the provisions of clause 3.1 above, such of the assets as stated in clause 3.1 above as are moveable in nature or are otherwise capable of transfer by physical delivery or by endorsement and delivery, the same shall be so transferred by SRF to SRFC after the Scheme is sanctioned by the Court without requiring any further order of the Court or any deed or instrument of conveyance for the same and shall become the property of SRFC accordingly.
- 3.3 All debts, liabilities (including contingent liabilities) duties and obligations of every kind, nature and description of EP, FNT and PF including proportionate common liabilities in the ratio of book value of the assets of EP, FNT and PF and the total assets of SRF, whether recorded or unrecorded, disclosed or undisclosed.

shall on and from the Appointed Date onwards devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to SRFC pursuant to the provisions of Section 394 of the Act, so as to become the debts, liabilities, duties and obligations of SRFC with effect from the Appointed Date.

- 3.4 All assets and liabilities resulting from the operations of the undertakings of EP, FNT and PF from the Appointed Date onwards shall stand transferred to and vested in SRFC on the Effective Date.
- 3.5 All the properties and liabilities of EP, FNT and PF shall be transferred at values appearing in the books of accounts of SRF immediately before the Appointed Date. For determining the value of the properties and liabilities referred to above, any change in the value of assets consequent to their revaluation shall be ignored.
- 3.6 The excess of book value of assets over book value of liabilities of EP, FNT and PF shall be recorded as general reserves in the books of SRFC to the extent the same exceed the Share Capital to be issued in SRFC pursuant to clause 8.1 herein. The amount corresponding to the excess of assets over liabilities shall be reduced from the total reserves and surplus of SRF.
- 3.7 Upon the Scheme becoming effective, as of the Appointed Date, the Balance sheet of SRFC as on the Appointed Date shall be as is provided in the Opening Reference Balance sheet of SRFC annexed hereto as Annexure I.
- 3.8 The details of the immovable properties of EP and FNT and of the immovable properties of PF respectively to be transferred to and vested in SRFC are stated in Annexures V and VI respectively to the Scheme.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 4.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to EP, FNT and PF to which SRF is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of SRFC and may be enforced as fully and as effectually as if, instead of SRF, SRFC had been a party thereto.
- 4.2 The transfer of the said assets and liabilities of EP, FNT and PF to SRFC and the continuance of all contracts or legal proceedings by or against SRFC shall not affect any contract or proceedings already concluded by SRF on or after the Appointed Date.
- 4.3 With effect from the Effective Date, SRF and SRFC shall co-operate with and assist each other and formalise arrangements for making available to and from each other, in a proper and timely manner, materials, utilities including power from own generation (without requiring any approval whatsoever), and services as may be required for the smooth and proper functioning of the respective undertakings of SRF and SRFC. These arrangements may also extend to lease/use of factory buildings and sheds, availment of storage space, contract jobs, canteen and other facilities, amenities and/or other services that may need to be shared.
- 4.4 Even after the Effective Date, SRFC shall be entitled to realize all money and complete and enforce all pending contracts and transactions in respect of the EP, FNT and PF in the name of SRF in so far as may be necessary until the transfer of rights and obligation of SRF to SRFC.
- 4.5 As a consequence of the transfer of EP, FNT and PF to SRFC in accordance with the provisions of clause 3 herein, the recording of change in name from SRF to SRFC, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.

5. LEGAL PROCEEDINGS AND OTHER PROVISIONS

- 5.1 Any legal proceedings of whatever nature by or against EP, FNT and PF, or by or against SRF and relating to EP, FNT and PF, if pending, on the Effective Date the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of EP, FNT and PF or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against SRFC in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against EP, FNT and PF as if this Scheme had not been made. If proceedings are initiated against SRF, SRF will defend the same as per the advice of SRFC at SRFC's cost and SRFC will reimburse and indemnify SRF against all liabilities and obligations incurred in respect thereof.
- 5.2 SRFC shall have all legal or other proceedings by or against SRF pending on the Effective Date and relating to EP, FNT and PF transferred in its name and have the same continued, prosecuted and enforced by or against SRFC after the Effective Date.
- 5.3 Upon sanction of this Scheme and with effect from the Effective Date, the Memorandum of Association of SRFC shall stand altered and amended by substitution of the following new clause I in place and stead of the existing Clause I:

"The name of the Company is SRF Polymers Limited."

5.4 SRFC shall take such steps as may be required to give effect to the provisions of clause 5.3 above.

5.5 SRFC shall also take such steps as may be required to increase its Authorised Share Capital to enable the issue of Equity Shares to the Members of SRF in accordance with the provisions of clause 8 of the Scheme.

6. EMPLOYEES OF EP, FNT AND PF

6.1 All the employees of SRF engaged in or in relation to EP, FNT and PF in service on the date immediately preceding the Effective Date shall become the employees of SRFC on such date without any break or interruption in service and upon terms and conditions not less favourable than those subsisting with reference to SRF on the said date. SRFC agrees that the service of all such employees with SRF upto the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible in SRF and such past service shall be taken into account for payment of any retrenchment compensation.

6.2 In respect of the Provident Fund, Gratuity Fund, Superannuation Fund or Welfare Trusts and any other special fund or trusts created or existing for the benefit of the employees of EP, FNT and PF, upon the Scheme becoming effective, the contributions and amounts pertaining to Provident Fund, Gratuity, Superannuation and such other funds of the aforesaid employees would continue to be deposited by SRFC in the Provident, Gratuity, Superannuation Funds or Welfare Trusts and any other special fund or trusts maintained by SRF until SRFC constitutes its own Provident and other Fund and receives necessary approvals for the same, and such deposits by SRFC shall have the same effect as if they were made in funds registered and maintained by SRFC. Thereupon, the balances in the aforesaid funds in SRF (to the extent they relate to the employees of EP, FNT and PF) shall stand transferred to the funds created by SRFC. As from the Effective Date, all the rights, duties, powers and obligations of SRF in relation to the employees of EP, FNT and PF who are members of such funds, shall become those of SRFC. The services of the employees of EP, FNT and PF will be treated as having been continued for this purpose.

7. CONDUCT OF BUSINESS BY SRF

7.1 From the Appointed Date until the Effective Date, SRF:

- i) shall stand possessed of the business undertaking comprising of the properties and the assets of the business undertakings of EP, FNT and PF referred to in Clause 3 above, in trust for SRFC;
- ii) shall carry on its business activities including that of EP, FNT and PF with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business, without the prior written consent of SRFC, or pursuant to any pre existing obligation undertaken by SRF prior to the Appointed Date.

7.2 As the Scheme will come into effect with effect from the Appointed Date, SRF shall be deemed to have carried on the business and activities of EP, FNT and PF as and from the Appointed Date for and on behalf of and for the benefit of, and on account of SRFC. Any income or profit accruing to EP, FNT and PF and all costs, charges and expenses or loss arising or incurred by EP, FNT and PF on and from the Appointed Date shall for all purposes and intents be treated as the income, profits, costs, charges and expenses or loss of SRFC, as the case may be. SRF may, if so required, utilise the profits relating to EP, FNT and PF for the period falling on or after the Appointed Date for the payment of dividend recommended or for declaration of payment of any further dividend, in such proportion as it may decide.

7.3 Upon the Scheme becoming effective, if SRFC is required to pay income tax on the profits of EP, FNT and PF accruing after the Appointed Date, SRFC shall arrange to pay the amount so due within 90 days from the Effective Date. If in the meantime, SRF has already deposited any Income tax on such profits, SRFC shall be entitled to get credit of the same against the amount of income tax required to be paid by SRFC as aforesaid.

8. ISSUE AND ALLOTMENT OF SHARES BY SRFC

8.1 Upon the Scheme becoming effective and transfer taking place as stipulated under clause 3 hereof, SRFC shall without any further application or deed, subject to the provisions of clause 8.5 herein, issue and allot to the Members of SRF 1 (One) Equity Share of the face value of Rs. 10/- (Ten) each of SRFC, credited as fully paid up for every 10 (Ten) Equity Shares of Rs. 10/- each held by the Members of SRF in SRF excepting that those Members of SRF whose entitlement in the above proportion will be 20 (Twenty) or less Equity Shares of Rs. 10/- each in SRFC, will not receive any share in SRFC, but such entitlements will be consolidated along with the fractional shares and dealt with in the manner as more fully stated in clause 8.3 herein.

- 8.2 The Equity Shares when issued and allotted by SRFC in terms of the Scheme, shall be subject to the Memorandum and Articles of Association of SRFC and shall from the Appointed Date, rank for dividend, voting rights and in all other respects pari passu with the existing Equity Shares of SRFC. The holders of the shares of SRF and SRFC shall save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members till the Appointed Date.
- 8.3 All Fractional Shares resulting from the exchange ratio and the entitlements as referred to in clause 8.1 above, shall be consolidated, allotted and held by a Trustee (who shall be a Member of SRF) to be nominated by the Board of Directors of SRFC, upon Trust to sell the same at the best available market price and to pay the net proceeds thereof after deducting the costs of sale and incidentals thereto and the assessed distribution costs, to those Members of SRF entitled to the same in the proportion in which they are so entitled. If any fraction is left even after such consolidation as above, the same shall be ignored. In respect of payments that may need to be made to non-resident Members of SRF, the same shall be made in foreign exchange in accordance with and subject to the provisions of the Foreign Exchange Management Act, 2000 and the Regulations made thereunder.
- 8.4 All the Members of SRF shall accept the Equity Shares of SRFC to which they are entitled or the net proceeds of sale of the said Shares against their entitlements as stated in clause 8.3 above in proportion to their shareholding in SRF in full and final satisfaction of all their claims.
- 8.5 The calls in arrears in respect of the Equity Shares issued by SRF, shall upon this Scheme becoming effective, continue to be outstanding obligations of the respective Members of SRF to the full extent of the entire amount in arrears together with any interest payable thereon in accordance with the provisions of the Articles of Association of SRFC as if they were the Articles of Association of SRF. SRFC shall be entitled to reserve the allotment in respect of the corresponding Equity Shares and/or keep in abeyance the issuance of the Equity Shares of SRFC to be allotted in lieu of the corresponding Equity Shares. During the period that such Equity Shares are so kept in abeyance, the holder of such Equity Shares in SRFC shall not be regarded as a Member of SRFC in any respect and consequently shall not be entitled to any dividends, rights, bonus or other benefits declared or paid during the period prior to such holder becoming a Member of SRFC in respect of such Equity Shares. For the removal of doubts, it is clarified that SRFC shall cancel the entitlement to its Equity Shares held and reserved or abeyance as provided above on any forfeiture of corresponding SRF shares on which calls are in arrears.
- 8.6 Upon issue and allotment of the Equity Shares of SRFC as referred to above, such Equity Shares shall be listed on the Delhi and Mumbai Stock Exchanges.
- 8.7 There shall be no reduction in the capital of SRF.
- 8.8 The exchange ratio stated in clause 8.1 herein, has been determined by the Board of Directors of SRF and SRFC based on their independent judgement and taking into consideration views of PricewaterhouseCoopers Securities Private Limited, Financial Advisors, whose assessment is primarily based upon the share capital servicing capability of SRFC considering factors like nature and size of business, earnings capacity and risk, expected future cashflows and volatility, proposed dividend policy, market comparable indices and other relevant factors

PART - III

9. AMALGATION OF TFL WITH SRF

- 9.1 Subsequent to Part II and subject to the provisions of this Scheme in relation to the modalities of transfer and vesting, the entire undertaking as a whole comprising the entire business and properties and assets (both immovable and movable) of and/or appertaining to TFL wheresoever situated including inter alia all other assets, capital work-in-progress, current assets, bank accounts, cash in hand, investments, powers, authorities, allotments, import entitlements and other quotas or benefits, income tax credits, deposits and exemptions, sales tax credits, deposits and exemptions, central excise registrations, excise credits, deposits and exemptions, approvals and consents, licenses, registrations, contracts, engagements, arrangements, office equipments, communication facilities, equipment and installations and utilities, electricity, water and other service connections, earnest money and/or deposits including security deposits, motor vehicles, inventories, rights, titles, interests, benefits and advantages of whatsoever nature belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by TFL, including but without being limited to all patents, trade names, trade marks, websites and domain name and other intellectual and industrial rights of any nature whatsoever and licenses in respect thereof all necessary records, engineering and process information, computer programs, software, liberties, easements, advantages, benefits, privileges, leases, industrial land leases, tenancy rights, entry and occu-

pation rights, ownership flats, quota rights, subsidies, concessions, approvals, authorisations, services of all types, , benefit of all agreements and all other interests arising to TFL shall, without any further act or deed, with effect from the opening of business as on the Appointed Date, stand transferred to and be vested in or be deemed to be transferred to and vested in SRF on a going concern basis pursuant to the provisions of Section 394 of the Act, for all the estate, right, title and interest of TFL therein so as to become the property of SRF but, subject to all mortgages, charges and encumbrances, if any, then affecting the undertaking of TFL without such charges in any way extending to the undertaking or assets of SRF. Existing mortgages, charges and encumbrances on the existing undertaking and assets of SRF shall not extend to the undertaking or assets of TFL upon the Scheme becoming effective.

9.2 Notwithstanding what is provided in clause 9.1 above, such of the assets as stated in clause 9.1 above as are moveable in nature or are otherwise capable of transfer by physical delivery or by endorsement and delivery, the same shall be so transferred by TFL to SRF after the Scheme is sanctioned by the Court without requiring any further order of the Court or any deed or instrument of conveyance for the same and shall become the property of SRF.

9.3 All debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and description of TFL whether recorded or unrecorded, disclosed or undisclosed, shall on and from the Appointed Date devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to SRF pursuant to the provisions of Section 394 of the Act, so as to become the debts, liabilities, duties and obligations of SRF with effect from the Appointed Date.

9.4 All assets and liabilities resulting from the operations of TFL from the Appointed Date onwards shall stand transferred to and be vested in SRF on the Effective Date.

9.5 The details of the immovable properties of TFL to be transferred to and vested in SRF are stated in Annexure IV to the Scheme.

10. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

10.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which TFL is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of SRF and may be enforced as fully and as effectually as if, instead of TFL, SRF had been a party thereto.

10.2 The transfer of the said assets and liabilities of TFL to SRF and the continuance of all contracts or legal proceedings by or against SRF shall not affect any contract or proceedings already concluded by TFL on or after the Appointed Date.

10.3 As a consequence of the amalgamation of TFL with SRF in accordance with the provisions of clause 9 herein, the recording of change in name from TFL to SRF, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.

11. LEGAL PROCEEDINGS

11.1 All legal proceedings of whatever nature by or against TFL, if pending, on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of TFL or of anything contained in the Scheme but the proceedings may be continued, prosecuted and enforced by or against SRF in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against TFL as if the Scheme had not been made.

11.2 SRF shall arrange to have all legal or other proceedings by or against TFL pending on the Effective Date transferred in its name and have the same continued, prosecuted and enforced by or against SRF after the Effective Date.

12. DISSOLUTION OF TFL

On the Scheme becoming effective, TFL shall stand dissolved without winding up.

13. EMPLOYEES OF TFL

13.1 All the employees of TFL in service on the date immediately preceding the Effective Date shall become the employees of SRF on such date without any break or interruption in service and upon terms and conditions not less favourable than those subsisting with reference to TFL on the said date. SRF agrees that the service of all such employees with TFL upto the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible in TFL and such past service shall be taken into account for payment of any retrenchment compensation.

13.2 In respect of the Provident Fund, Gratuity Fund, Superannuation Fund or Welfare Trusts and any other special fund or trusts created or existing for the benefit of the employees of TFL, upon the Scheme becoming effective, the contributions and amounts pertaining to Provident Fund, Gratuity, Superannuation and such other funds of the aforesaid employees would be deposited by SRF in the Provident, Gratuity, Superannuation Funds or Welfare Trusts and any other special fund or trusts maintained by TFL until SRF transfers the balances in such funds to its existing funds and receives necessary approvals for the same, and such deposits by SRF shall have the same effect as if they were made in funds registered and maintained by SRF. Thereupon, the balances in the aforesaid funds to the extent they relate to the employees of TFL, shall stand transferred to the existing funds of SRF. As from the Effective Date, all the rights, duties, powers and obligations of TFL in relation to its employees who are members of such funds, shall become those of SRF. The services of the employees of TFL will be treated as having been continued for this purpose.

14. CONDUCT OF BUSINESS BY TFL.

14.1 From the Appointed Date until the Effective Date, TFL:

- i) shall stand possessed of the business undertaking comprising of the properties and the assets referred to in Clause 9 above in trust for SRF.
- ii) shall carry on its business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business, without the prior written consent of SRF or pursuant to any pre existing obligation undertaken by TFL prior to the Appointed Date.
- iii) shall not make any change in its capital structure (Paid up Capital) either by any increase (by a fresh issue of Right Shares, Equity or Preference Shares, Bonus Shares, Convertible Debentures or otherwise) or by any decrease, reduction, reclassification, sub division or consolidation, reorganization or in any other manner, except by the written consent of the Board of Directors or SRF.

14.2 As the Amalgamation is to take place with effect from the Appointed Date, TFL shall be deemed to have carried on its business and activities as and from the Appointed Date for and on behalf of and for the benefit and on account of SRF. Any income or profit accruing to TFL and all costs, charges and expenses or loss arising or incurred by TFL on and from the Appointed Date shall for all purposes and intents be treated as the income, profits, costs, charges and expenses or loss of SRF as the case may be.

14.3 Even after the Effective Date, SRF shall be entitled to realize all money and complete and enforce all pending contracts and transactions in respect of TFL in the name of TFL in so far as may be necessary until the transfer of rights and obligation of TFL to SRF under this scheme is formally accepted.

15. CANCELLATION OF SHARES HELD BY SRF

Upon the Scheme finally coming into effect and in consideration of the transfer of all the said assets and liabilities of TFL to SRF in terms of Clauses 9 and 16 of the Scheme, the Equity Shares held by SRF in TFL shall stand cancelled.

PART - IV

16. OPERATIVE DATE OF THE SCHEME

This Scheme, though operative from the Appointed Date, shall be effective from the last of the dates on which certified copies of the orders of Court under Sections 391 to 394 of the Act are filed with the appropriate Registrar of Companies by SRF, SRFC and TFL respectively.

17. REFERENCE BALANCE SHEETS

17.1 Upon the Scheme becoming operative as on the Appointed Date the Balance Sheet of SRF shall be as provided in the reference Balance Sheet of SRF annexed to the Scheme as Annexure II and all the assets and liabilities of TFL (incorporated in the reference Balance Sheet of SRF after taking into consideration the valuations as referred to in clause 17.2 below) are listed in the Balance Sheet of TFL as on 31st December, 2000 annexed to the Scheme as Annexure III.

17.2 The Accounts of SRF as per the above arrangement are on the basis of business values of various businesses comprised within SRF. For assessing the Business Values, PricewaterhouseCoopers Securities Private Limited, financial advisors, has carried out business valuations, on a prudent basis, of the significant operational businesses proposed to be comprised within SRF. These Business Valuations represent an assessment on the fair inherent value of the significant operational businesses on a going concern basis, focussing on the future earnings-cashflows. The Business Valuations have been carried out using

Discounted Cash Flow, Market Value/Multiples and Realisable Value Estimation approach. Revaluation of fixed assets comprised within these businesses have been carried out by Price Waterhouse, Chartered Accountants, using the Depreciated Replacement Cost basis, which valuation has received due consideration in the assessment of Business Values. The results from application of different approaches for business valuation have been given due consideration before concluding on a value range placing greater weightage on future earnings/cash flows in accordance with objectives and intents. The assets and liabilities of SRF and TFL have been incorporated in the books of accounts by the management of SRF based on valuations discussed above. The opening reference Balance Sheet of SRF as on the Appointed Date takes into account the fact that the Scheme is formulated on the basis of prudent valuation of separate businesses comprised therein, and in accordance with prudent and permissible accounting principles, and gains and losses arising on such valuation on the Appointed Date have been recognised in the opening reference Balance Sheet of SRF. Any modification / adjustment / variation / restatement of values made in the accounts for the purpose of preparation of the Revised Balance Sheet of SRF shall be without prejudice to the right of recovery of the original amount under the applicable law.

18. CONDITIONALITY OF THE SCHEME

18.1 This Scheme is conditional upon and subject to :

- i) the Scheme being approved by the requisite majority of the members and creditors of SRF, SRFC and TFL as the case may be, as required under Sections 391 and 394 of the Act;
- ii) the sanction of the Scheme by the High Court of Delhi at New Delhi and the High Court of Judicature at Madras, under Sections 391 to 394 of the Act;
- iii) the certified copies of the orders of the concerned High Court referred to in this Scheme, being filed with the respective Registrars of Companies i.e. with the Registrar of Companies, N.C.T. of Delhi and Haryana and the Registrar of Companies, Tamil Nadu.

19. APPLICATION TO THE HIGH COURTS

SRF, SRFC and TFL shall make necessary applications/petitions under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act to the High Court of Delhi at New Delhi and the High Court of Judicature at Madras, as the case may be, for sanctioning of the Scheme and for the dissolution without winding up of TFL.

20. MODIFICATIONS/AMENDMENTS TO THE SCHEME

20.1 SRFC (by its Directors), TFL (by its Directors) and SRF (by its Directors) may make or assent from time to time on behalf of all persons concerned to any modifications or amendments of the Scheme, or to any conditions or limitations which the Court and/or any authorities or any shareholder or creditor may impose.

20.2 At any time prior to the Effective Date, SRF and/or SRFC and/or TFL shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any Authority is unacceptable to them.

20.3 If any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors, employees and/or any person entitled to or claiming any right to any shares in SRFC, TFL or SRF as to the construction hereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred to the SRFC or SRF as the case may be, or as to the accounting treatment thereof or as to anything else as contained in or relating to and/or arising out of the Scheme, the same shall be referred to the Board of Directors of SRF whose decision shall be final and binding.

20.4 In order to give effect to the Scheme or to any modifications or amendments thereof, the Board of Directors of SRF may give and are authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.

20.5 In the event of the Scheme failing to take effect finally before the 31st day of July, 2002 or within such further period or periods as may be agreed upon by SRFC, TFL and SRF (through their respective Board of Directors), the Scheme shall at the option of all Companies (through their respective Board of Directors) become null and void and in that event no rights and liabilities whatsoever shall accrue or be incurred inter se to or by the parties or any of them except to the extent that all income, profits, costs, charges and expenses or loss of TFL with effect from the Appointed Date till the date referred to in this Clause 20.4 shall be to the account of TFL, and that all income, profits, assets, charges, expenses or loss of EP, FNT and PF with effect from the Appointed Date till the date referred to in this Clause 20.4 shall be to the account of SRF.

21. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes, including duties, levies and fees and all other expenses, if any, arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and incidental thereto shall be borne and paid by SRF.

SRF Chemicals Limited

Regd. Office : Express Building, 9-10, Bahadur Shah Zafar Marg,
New Delhi-110 002.

REFERENCE BALANCE SHEET ON THE APPOINTED DATE 1ST JANUARY 2001

Sources of Funds	Schedule	Rs. in Lakhs	
		As at January 1, 2001	As at December 31, 2000
Shareholders' Funds			
Share Capital	1	645.32	-
Reserve & Surplus	2	4,446.98	(0.07)
		5,092.30	(0.07)
Loan Funds			
Secured Loans	3	1,221.80	—
Unsecured Loans	4	514.47	0.50
		1,736.27	0.50
TOTAL		6,828.57	0.43
Application of Funds			
Fixed Assets			
Gross Block	5	7,086.32	—
Less: Depreciation		2,825.88	—
Net Block		4,260.44	—
Less: Lease Adjustment Account			
Capital Work in Progress		4,260.44	—
Investments			
Current Assets, Loans & Advances			
Inventories	6	1,015.59	—
Sundry Debtors	7	1,967.18	—
Cash and bank balances	8	184.72	0.40
Loans and Advances	9	80.61	—
		3,248.10	0.40
Less: Current Liabilities & provisions			
Current Liabilities	10	680.13	0.13
Provisions		2,567.97	0.27
Miscellaneous Expenditure (to the extent not written off)		0.16	0.16
Significant Accounting Policies & notes to accounts	11		
TOTAL		6,828.57	0.43

Significant Accounting policies and notes to Accounts form an integral part of the Balance Sheet

As per our review report of even date

For Price Waterhouse
Chartered Accountants

Usha Rajeev
Partner

New Delhi
Dated: 8.8.2001

SCHEDULES TO THE REFERENCE BALANCE SHEET AS AT JANUARY 1, 2001

SCHEDULE 1: SHARE CAPITAL	Rs in lakhs	
	Balance as at 01-Jan-2001	Balance as at 31-Dec-2000
Authorised		
7500000 Equity shares of Rs 10 each	750.00	5.00
(Previous year 50000 equity shares of Rs. 10/- each)		
1000000 Preference shares of 10 each	100.00	—
	<u>850.00</u>	<u>5.00</u>
Issued, Subscribed and paid up		
7047141 Equity shares of Rs 10 each (previous year Rs. 70/-)	704.71	0.00
	<u>704.71</u>	<u>0.00</u>
Subscribed		
6452615 Equity shares of Rs 10 each (previous year Rs. 70/-) fully paid up	645.26	—
	<u>645.26</u>	<u>—</u>
Add: Share Capital Suspense	0.06	—
Total	<u>645.32</u>	<u>—</u>

SCHEDULE 2: RESERVES AND SURPLUS

General reserve	4447.05	—
Profit and Loss Account	(0.07)	(0.07)
Total	<u>4446.98</u>	<u>(0.07)</u>

SCHEDULE 3: SECURED LOANS

From Banks :		
Cash Credit \ WCDL	145.90	—
Term Loans		
From Financial Institutions		
Term Loans	1075.90	—
Total	<u>1221.80</u>	<u>—</u>

SCHEDULE 4: UNSECURED LOANS

Fixed deposits	513.97	—
From others	0.50	0.50
Total	<u>514.47</u>	<u>0.50</u>

SCHEDULE 5: FIXED ASSETS

	Additions to Gross Block as at 01-Jan-2001	Accumulated Depreciation	Net Block as at 01-Jan-2001
Freehold Land	24.02	—	24.02
Buildings	418.60	94.03	324.57
Plant & Machinery	6,452.87	2,631.40	3,821.47
Furniture & Fixture			
Office Equipments etc.	190.83	100.45	90.38
Total	<u>7,086.32</u>	<u>2,825.88</u>	<u>4,260.44</u>

SCHEDULES TO THE REFERENCE BALANCE SHEET AS AT JANUARY 1, 2001

SCHEDULE 6: INVENTORIES

	Balance as at 1/1/2001	Balance as at 31/12/2000
Raw Material	410.20	—
Stores & spares	35.38	—
Finished Goods	427.72	—
Stock-in-Process	142.29	—
Total	1015.59	—

SCHEDULE 7: SUNDRY DEBTORS (UNSECURED)

Debts over six months		
Considered good	—	—
Considered doubtful	172.02	—
Other debts		
Considered good	1967.18	—
Considered doubtful	—	—
Less: Provision for doubtful debts	172.02	—
Total	1967.18	—

SCHEDULE 8: CASH AND BANK BALANCES

Cash and stamps on hand	3.05	—
Balances with Scheduled Banks		
Current Accounts	181.67	0.40
Total	184.72	0.40

SCHEDULE 9: LOANS AND ADVANCES

Advances recoverable in cash or in kind or for value to be received		
Considered good	56.79	—
Considered doubtful	4.18	—
	60.97	—
Less : Provision for doubtful advances	4.18	—
	56.79	—
Other Deposits	14.78	—
Claims Recoverable	9.04	—
Total	80.61	—

SCHEDULE 10: CURRENT LIABILITIES

Sundry creditors :		
Dues to SSI units	—	—
Dues to others	668.88	—
Total Sundry creditors	668.88	—
Security Deposits	11.25	—
Total	680.13	—

SCHEDULE 11: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A) ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on the historical cost convention basis (except for revaluation of certain fixed assets and providing for depreciation on revalued amounts). The generally accepted accounting principles and the Accounting Standards referred under section 211(3C) of the Companies Act 1956 have been adopted by the Company and disclosures made in accordance with the requirements of Schedule VI of the Companies Act 1956 and the Indian Accounting Standards.

2. FIXED ASSETS

Gross Block of Fixed Assets have been stated at their original cost.

3. EXPENDITURE DURING CONSTRUCTION

In respect of new projects, all expenses including interest incurred upto the date of commencement of commercial production are capitalized. In respect of substantial expansion of businesses at existing locations only direct costs are capitalized together with interest on the funds relatable to them upto the date of commercial production.

4. DEPRECIATION

4.1 Depreciation is provided on fixed assets with reference to their historical cost (exclusive of modvatable Customs/Excise duty).

4.2 Depreciation is provided on:

- a. All assets (including plant and machinery) costing less than Rs.5,000/- for the full value thereof.
*Provided such assets are less than 10% of the aggregate value of plant and machinery in each division.
- b. Furniture & Fixtures, Office Equipment, Data Processing Equipment and Vehicles on Straight-line method at rates specified in Schedule XIV to the Companies Act, 1956.
- c. Roads, Buildings and Plant & Machinery on straight line basis at rates based on rates specified in Schedule XIV.

5. AMORTISATION

No expenditure is treated as Deferred Revenue.

6. FOREIGN CURRENCY TRANSACTION: TRANSLATION AND CONVERSION

- a. Transaction in foreign currencies are recorded at the rate prevalent on the date of transactions.
- b. All Foreign Currency liabilities and monetary assets are stated at the exchange rate prevailing as at the date of Balance Sheet or at the contracted rate and the difference taken to Profit & Loss account as Exchange Fluctuation loss or gain.
- c. Foreign Currency fluctuations on liabilities relatable to fixed assets are considered as additions to or deletions from the gross block in the year in which such fluctuations occur; depreciation on such addition/deletion is provided or adjusted over the remaining useful life of the asset.

7. RESEARCH AND DEVELOPMENT

Revenue expenditure on Research & Development are included under the natural heads of expenditure. Capital expenditure on Research & Development are treated in the same manner as expenditure on other fixed assets.

8. VALUATION OF INVENTORY

- a. Closing stock of finished goods is valued at the lower of cost or estimated realisable value. For this purpose, cost is being reckoned as full cost (exclusive of interest and administrative overheads) net of excise duty and includes excise duty on the finished goods.
- b. Closing stock of work in-progress is valued at the lower of the cost or estimated realisable value; for this purpose cost does not include excise duty.
- c. Inventory of raw material is valued at weighted average cost or net realisable value whichever is lower; cost being net of Excise duty.

Reprocessible waste, grouped under raw material, is valued at raw material cost less variable reprocessing cost.

- d. By products are valued at net selling price.
- e. Inventory of Stores and spares is valued at cost, exclusive of excise duty.

9. RETIREMENT BENEFITS

- a. The retirement benefit for encashment of leave salary is fully provided for on actuarial basis.
- b. The liability on account of retirement benefits such as provident fund, gratuity, superannuation are administered through separate funds.
- c. Gratuity is accrued on actuarial valuation basis; contribution to provident and superannuation funds are accounted at respective specified rates.

10. CONTINGENT LIABILITY

Liabilities, though contingent, are provided for if there are reasonable prospects of such liabilities maturing. Other contingent liabilities, barring frivolous claims, not acknowledged as debt, are disclosed by way of note.

11. REVENUE RECOGNITION

- a. Sales are inclusive of excise duty and net of trade discounts. Export sales include goods invoiced against confirmed orders and cleared from excise and customs authorities.
- b. Export incentives receivable in cash are recognised as income on exports being made.
- c. Other items of revenue are recognised in accordance with the Accounting Standard (AS-9). Accordingly, wherever there are uncertainties in the ascertainment /realization of income such as interest from customers (including the financial condition of the person from whom the same is to be realised), the same is not accounted for.

12. TAXATION

Tax provision has is made, taking into consideration the provisions of minimum alternate tax and the contentions of the Company and also the fact that certain expenditure becoming allowable on payment being made before filing the return of income/wealth.

B. NOTES TO ACCOUNTS

- a) The accounts have been prepared taking into account the effect of proposed scheme of amalgamation, arrangement and reconstruction between SRF Limited, SRF Chemical Limited and Tyrecord Fabrics Limited. The accounts will be effective only after necessary approvals have been received from Honourable High Court of Delhi and High Court of Judicature of Madras and after all formalities required to effect the scheme have been complied with.
- b) Pursuant to the scheme of amalgamation, arrangement and reconstruction, referred to above, the Company has acquired the business of Engineering plastics, Fish Net Twine and Polyester Films including the fixed assets, current assets, current liabilities, rights and power together with all present & future liabilities including contingent liabilities and obligations therein from SRF Limited. Consequently the addition to assets and liabilities in these accounts on the basis of book values (ignoring revalued values) of SRF Limited are as follows:

	Acquired from SRF Limited (Rs in lakhs)
Fixed Assets (Net)	4260.44
Current Assets	3247.70
(A)	7508.14
Current Liabilities	680.00
Secured Loan	1221.80
Unsecured Loan	513.97
(B)	2415.77
(A - B)	5092.37
To be adjusted as	
Issue of Share Capital	645.32
Transfer to General Reserve	4447.05

c) Share Capital

Share capital suspense represents 541 Equity shares to be issued pursuant to the allotment to the erstwhile shareholder of Flowmore Polyesters Ltd. (FPL) in SRF Limited pending settlement of calls in arrears in respect of their shareholding in FPL.

d) Debentures

224 numbers 13.5% Debentures of Rs. 100 each, which have matured for payment and are partly paid are included under the head 'Unclaimed debentures' in SRF Limited. 896 Equity Shares will be issued and allotted by SRF Limited to the holders of these Debentures effective June 1, 1987, upon receipt of arrears due along with interest thereon. Further pursuant to aforesaid scheme of amalgamation, arrangement and reconstruction 90 Equity Shares will be issued and allotted to the holders of the aforesaid debentures in the Company.

e) Details of Security for Loans

Loan		Outstanding Security	
		Amount	
I.	Term loan from financial institutions led by ICICI.	(Rs. Lakhs) 1075.90	Term loans from financial institutions are secured by equitable mortgage and hypothecation of Company's immovable and moveable properties, both present and future (with certain exclusions) situated at Manali and Viralimalai both in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Kashipur in the State of Uttar Pradesh and Malanpur in the State of Madhya Pradesh. Such equitable mortgage ranking paripassu inter se between debentures, term loans from financial institutions and subject to prior charges created/to be created on certain specified moveable assets for working capital facilities mentioned in II & III below. Short Term Foreign Currency loan of equivalent to Rs.000 million is not secured by Equitable mortgage. In Addition 1) Term loans from Financial Institution amounting to Rs.19172 lakhs have been guaranteed by the Vice. Chairman & Sr. Managing Director 2) Term loans from ICICI amounting Rs 1800 lakhs have been secured by pledge of 32,49,990 equity shares of India Ophthalmic Lenses Manufacturing Co. Pvt. Ltd and 12,99,994 equity shares of Essilor SRF Optics Limited. 3) Term loans from IDBI amounting Rs.1135.30 lakhs have been secured by pledge of Fixed Deposit of Rs.160.07 lakhs with them. 4) Foreign currency loans from ICICI and IFCI amounting to Rs.11879 lakhs have been secured by pledge of 1,15,97,951 equity shares of SRF Overseas Ltd.
II.	Cash credit/ working capital demand loans / L/Cs Guarantees issued by Consortium banks	122.28	Secured by hypothecation of stocks, stores and book debts and is further secured by way of second charge on Company's immovable and moveable properties, both present and future, (with certain exclusions) situated at Manali and Viralimalai both in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur in the State of Madhya Pradesh and Kashipur in the State of Uttar Pradesh.
III	Loans from others: Cash Credit /working Capital Demand Loan, L/Cs, Guarantees issued by ICICI Bank	23.62	Secured by hypothecation of stocks, stores and book debts both present & future situated at Manali & Viralimalai both in the state of Tamil Nadu, Jhiwana in the state of Rajasthan, Malanpur in the state of Madhya Pradesh and Kashipur in the state of Uttar Pradesh.

Out of the above loans, a sum of Rs. 171.91 lakhs would become due for payment within a year from the date of the balance sheet

Pursuant to the proposed scheme of amalgamation, arrangement and reconstruction, the aforesaid charges will be altered/amended to give effect to the scheme once it becomes effective.

f) Capital Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for amounts to Rs 23.66 lakhs

g) Contingent Liabilities

Claims against the Company not acknowledged as debts on account of:

	Current Year (Rs. Lakhs)
Income Tax	5.03
Excise duty	16.96
Sales Tax *	464.84

* Amount deposited Rs 55.52 lakhs

The Company has been advised that its contentions in the matter of disputed demands are legally tenable and hence the possibility of these maturing is remote.

The company has been served with show cause notices regarding certain transactions as to why additional customs/excise duty amounting to Rs 22.62 lakhs should not be levied. The company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustained.

a) Sundry Debtors

The Company has requested for confirmation of major balances of the creditors, debtors, loans and advances. However only few confirmations have been received.

b) Leased Assets

The Company has taken on lease certain fixed assets, the original cost and depreciated value and lease rental for balance duration, are as under:

	Cost	As on January 1, 2001 Net depreciated value	(Rs. lakhs) As on January 1, 2001 Lease Rent for balance period
Vehicles	23.72	20.64	21.92
TOTAL	23.72	20.64	21.92

SRF LIMITED

Regd. Office : Express Building, 9-10, Bahadur Shah Zafar Marg,
New Delhi-110 002.

REFERENCE BALANCE SHEET AS ON THE APPOINTED DATE 1ST JANUARY, 2001

Sources of Funds	Schedule	Rs. in Lakhs	
		As at January 1, 2001	As at December 31, 2000
Shareholders' Funds			
Share Capital	1	6,554.33	6,554.33
Reserve & Surplus	2	32,519.97	42,966.21
		39,074.30	49,520.54
Loan Funds			
Secured Loans	3	37,616.03	38,837.83
Unsecured Loans	4	2,972.80	3,386.77
		40,488.83	42,224.60
TOTAL		79,563.13	91,745.14
Application of Funds			
Fixed Assets			
Gross Block	5	87,814.96	83,778.28
Less: Depreciation		30,603.51	34,069.23
Net Block		57,211.45	49,709.05
Less: Lease Adjustment Account		—	—
		57,211.45	49,709.05
Capital Work in Progress		1,503.04	1,272.39
		58,714.49	50,981.44
Investments	6	7,321.19	15,711.30
Current Assets, Loans & Advances			
Inventories	7	10,908.89	10,008.39
Sundry Debtors	8	11,189.86	12,487.31
Cash and bank balances	9	2,778.72	2,719.80
Loans and Advances	10	6,514.12	17,356.06
		31,391.59	42,571.56
Less: Current liabilities & provisions			
Current Liabilities	11	17,610.14	17,265.16
Provisions	12	254.00	254.00
		13,527.45	25,052.40
Miscellaneous Expenditure (to the extent not written off)			
Significant Accounting Policies & notes to accounts	13		
TOTAL		79,563.13	91,745.14

Significant Accounting policies and notes to Accounts form an integral part of the Balance Sheet

As per our review report of even date
For Price Waterhouse
Chartered Accountants

Usha Rajeev
Partner

New Delhi
Dated: 8.8.2001

SCHEDULES TO THE REFERENCE BALANCE SHEET AS AT JANUARY 1, 2001

		Rs in lakhs
SCHEDULE 1: SHARE CAPITAL	Balance as at 1.1.01	Balance as at 31.12.2001
Authorised		
120000000 Equity shares of Rs 10 each	12,000.00	12,000.00
1000000 Preference shares of 100 each	1,000.00	1,000.00
1200000 Cumulative Convertible Preference Shares of 50 each	600.00	600.00
20000000 Cumulative Preference Shares of 100 each	20,000.00	20,000.00
	<u>33,600.00</u>	<u>33,600.00</u>
Issued, Subscribed and paid up		
70471411 Equity shares of Rs 10 each	7,047.14	7,047.14
	<u>7,047.14</u>	<u>7,047.14</u>
Subscribed		
64526089 Equity shares of Rs 10 each fully paid up	6,452.61	6,452.61
Less: Calls in arrears*	0.33	0.33
	<u>6,452.28</u>	<u>6,452.28</u>
Add: Amount paid on Forfeited Shares	101.51	101.51
Add: Share Capital Suspense	0.54	0.54
	<u>6,554.33</u>	<u>6,554.33</u>
Total		
* Due from Directors NIL		

SCHEDULE 2: RESERVES AND SURPLUS

Share premium account	9995.98	13,553.30
Amalgamation Reserve	—	1,921.92
Capital redemption reserve	—	240.00
Capital reserve	4040.24	4,040.24
Revaluation reserve	8670.82	11,697.82
Investment allowance reserve	362.75	362.75
General reserve	5397.55	7,097.55
	<u>28467.34</u>	<u>38,913.58</u>
Profit & Loss account	4052.63	4,052.63
Total	<u>32519.97</u>	<u>42,966.21</u>

SCHEDULE 3: SECURED LOANS

From Banks :		
Cash Credit / WCDL	1347.36	1,493.25
From Financial Institutions		
Term Loans	36264.03	37,339.94
From Others:	4.64	4.64
Total	<u>37616.03</u>	<u>38,837.83</u>

SCHEDULE 4: UNSECURED LOANS

Fixed deposits	2872.80	3,386.77
Total	<u>2872.80</u>	<u>3,386.77</u>

Schedule 5 : Fixed Assets

	Adjustment on Restructuring			Gross Block	Cumm. Dep.			Net Block	
	31.12.2000	Additions	Deletions	as at 1.1.2001	as at 31.12.2000	Adjustment on restructuring	Total Cumm. Dep. as at 1.1.2001	as at 1.1.2001	as at 31.12.2000
Freehold Land	747.77	122.74	24.34	846.17	0.00	0.00	0.00	846.17	747.77
Leasehold Land	1483.88	434.35	0.00	918.24	0.24	0.00	0.24	918.00	483.64
Road	282.29	33.97	0.00	316.25	45.90	0.00	45.90	270.35	236.39
Buildings	9,351.10	4,363.08	483.72	13,230.46	1,761.04	102.51	1,858.53	11,571.93	7,560.06
Plant & Machinery	70,928.48	8,076.70	8,447.07	70,558.10	31,319.35	3,258.94	28,060.41	42,497.70	39,609.13
Furniture & Fixture									
Office Equipments etc.	1,818.03	150.33	196.41	1,771.95	942.70	104.27	838.43	933.52	875.33
vehicles	166.73	7.06	0.01	173.78	0.00	0.00	0.00	173.78	166.73
Total	83,778.28	13,188.23	9,151.55	87,814.96	34,089.23	3,465.72	30,603.51	57,211.45	49,709.05

SCHEDULES TO THE REFERENCE BALANCE SHEET AS AT JANUARY 1, 2001

SCHEDULE 6 : INVESTMENTS

Non-trade investments(at cost)

-quoted
-unquoted

Total

	Balance at 1/1/2001	Rs In Lakhs Balance at 31/12/2000
-quoted	65.01	119.33
-unquoted	7255.18	15,591.97
Total	7321.19	15,711.30

SCHEDULE 7 : INVENTORIES

Raw Material
Stores & spares
Finished Goods
Stock-in-Process

Total

Raw Material	4190.13	3,485.09
Stores & spares	1335.08	1,357.35
Finished Goods	3704.04	3,935.25
Stock-in-Process	1679.64	1,230.71
Total	10908.89	10,008.39

SCHEDULE 8 : SUNDRY DEBTORS

Debts over six months
Considered good
Considered doubtful
Other debts
Considered good
Considered doubtful
Less: Provision for doubtful debts

Total

Considered good	182.95	182.95
Considered doubtful	720.82	877.92
Other debts		
Considered good	11006.91	12,304.36
Considered doubtful	435.36	435.36
Less: Provision for doubtful debts	1156.18	1,313.28
Total	11189.86	12,487.31

SCHEDULE 9: CASH AND BANK BALANCES

	Balance at 1/1/2001	Balance at 31/12/2000
Cash and stamps on hand	31.36	34.02
Balances with Scheduled Banks	—	—
Current Accounts	2436.82	2,375.24
Unclaimed Dividend	25.55	25.55
Fixed Deposits *	284.73	284.73
Remittances in transit	0.26	0.26
Total	2778.72	2,719.80
* Includes margin money	274.79	274.79

SCHEDULE 10: LOANS AND ADVANCES

Unsecured, considered good
(Unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received

Considered good	4572.84	15,319.00
Considered doubtful	361.07	204.65
	4933.91	15,523.65
Less : Provision for doubtful advances	361.07	204.65
	4572.84	15,319.00
Deposit with Excise and Customs	162.90	168.30
Other Deposits	1433.62	1,667.41
Claims Recoverable	178.71	187.74
Modvat recoverable	166.05	13.62
Total	6514.12	17,356.06

SCHEDULE 11: CURRENT LIABILITIES

Amount received -in trust	1305.18	1,305.18
Acceptances	652.07	652.07
Sundry creditors :	—	—
Dues to SSI units	6.35	6.35
Dues to others	14654.97	14,298.74
Total Sundry creditors	14661.32	14,305.09
Security Deposits	336.43	347.67
Unclaimed Debentures	33.60	33.60
Unclaimed Dividends	25.55	25.55
Interest and commitment charges accrued but not due	595.99	595.99
Total	17610.14	17,265.16

SCHEDULE 12: PROVISIONS

Provision for Taxation (net)	254.00	254.00
Total	254.00	254.00

SCHEDULE: 13 ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A) ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS.

The financial statements have been prepared on the historical cost convention basis (except for revaluation of certain fixed assets and providing for depreciation on revalued amounts). The generally accepted accounting principles and the Accounting Standards referred under section 211(3C) of the Companies Act 1956 have been adopted by the Company and disclosures made in accordance with the requirements of Schedule VI of the Companies Act 1956 and the Indian Accounting Standards.

2. FIXED ASSETS

Gross block of fixed assets (other than those which have been revalued and are stated at revalued values, the base for revaluation being the current cost of depreciated assets at the time of revaluation) are stated at their Original cost.

If the revaluation shows an increase in the value of a category of assets, the same is added to the historical value net of any decline in value in any asset of that category. The decline in value of any individual asset in a category is charged to revenue over the remaining useful life of that asset by making adjustment from the withdrawal of the revaluation reserve.

3. EXPENDITURE DURING CONSTRUCTION

In respect of new projects, all expenses including interest incurred upto the date of commencement of commercial production are capitalised. In respect of substantial expansion of businesses at existing locations only direct costs are capitalised together with interest on the funds relatable to them upto the date of commercial production.

4. DEPRECIATION

4.1 Depreciation is provided on fixed assets with reference to their historical cost (exclusive of modifiable Customs/Excise duty) or the revalued value as the case may be.

4.2 Depreciation is provided on:

- a. All assets (including plant and machinery) costing less than Rs.5,000/- for the full value thereof.
*Provided such assets are less than 10% of the aggregate value of plant and machinery in each division.
- b. Furniture & Fixtures, Office Equipments, Data Processing Equipment, cylinders and Vehicles on Straight-line method at rates specified in Schedule XIV to the Companies Act, 1956.
- c. Roads, Buildings and Plant & Machinery on straight line basis at rates based on useful life prescribed by valuers periodically on revalued value or at rates specified for similar method in Schedule XIV on the historical cost, whichever amount of depreciation is higher.
- d. In respect of additions between two valuation dates, on the basis of useful life as determined by the Management based upon similar assets;
The depreciation rates based on useful life varies between 3.17% and 31.66%.
- e. Assets given on lease, on straight line basis at rates specified in Schedule XIV on the historical cost.

4.3 Where assets have been revalued and depreciation provided on them based on their useful life as determined by the valuers/Management, then a transfer is made from the Revaluation Reserve to the Profit and Loss Account for the sum of the differences as below:-

- a. In respect of revalued Assets, the difference between the amount of depreciation on revalued value at rates based on useful life prescribed by valuers and on the historical cost at rates prescribed in Schedule XIV if the former is higher.
- b. Where assets are discarded or disposed off, the difference between the written down value as per revalued value and historical cost.

5. AMORTISATION

No expenditure is treated as Deferred Revenue.

6. FOREIGN CURRENCY TRANSACTION: TRANSLATION AND CONVERSION

- a. Transaction in foreign currencies are recorded at the rate prevalent on the date of transactions.
- b. All Foreign Currency liabilities and monetary assets are stated at the exchange rate prevailing as at the date of Balance Sheet or at the contracted rate and the difference taken to Profit & Loss account as Exchange Fluctuation loss or gain.
- c. Foreign Currency fluctuations on liabilities relatable to fixed assets are considered as additions to or deletions from the gross block in the year in which such fluctuations occur; depreciation on such addition/deletion is provided or adjusted over the remaining useful life of the asset.

7. RESEARCH AND DEVELOPMENT

Revenue expenditure on Research & Development are included under the natural heads of expenditure. Capital expenditure on Research & Development are treated in the same manner as expenditure on other fixed assets.

8. VALUATION OF INVENTORY

- a. Closing stock of finished goods is valued at the lower of cost or estimated realisable value. For this purpose, cost is being reckoned as full cost (exclusive of interest and administrative overheads) net of Excise Duty and includes excise duty on the finished goods.
- b. Closing stock of work in-progress is valued at the lower of the cost or estimated realisable value; for this purpose cost does not include excise duty.
- c. Inventory of raw material is valued at weighted average cost or net realisable value whichever is lower; cost being net of excise duty.
Reprocessible waste, grouped under raw material, is valued at raw material cost less variable reprocessing cost.
- d. By products are valued at net selling price.
- e. Inventory of Stores and spares is valued at cost, exclusive of Excise duty.
- f. MODVAT is accounted for on utilisation of materials, even if no set off is taken in payment of duty.
- g. Quoted Shares, held as stock-in-trade, are valued at the lower of cost or market value.

9. RETIREMENT BENEFITS

- a. The retirement benefit for encashment or leave salary is fully provided for on actuarial basis except for unit located at Gummidipoondi where provision for leave encashment is made based on the maximum amount payable at the year end.
- b. The liability on account of retirement benefits such as provident fund, gratuity, super-annuation are administered through separate funds.
- c. Gratuity is accrued on actuarial valuation basis; contribution to provident and superannuation funds are accounted at respective specified rates except in case of unit located at Gummidipoondi where liabilities in respect of gratuity and superannuation are determined in accordance with the Schemes formulated by the Company and contributions as per the rules of the said Schemes are made to the respective Funds administered by Life Insurance Corporation of India. All contributions are charged to Profit and Loss Account as they become due.

10. CONTINGENT LIABILITY

Liabilities, though contingent, are provided for if there are reasonable prospects of such liabilities maturing. Other contingent liabilities, barring frivolous claims, not acknowledged as debt, are disclosed by way of note.

11. REVENUE RECOGNITION

- a. Sales are inclusive of excise duty and net of trade discounts. Export sales include goods invoiced against confirmed orders and cleared from excise and customs authorities.
- b. Export incentives receivable in cash are recognised as income on exports being made.
- c. Other items of revenue are recognised in accordance with the Accounting Standard (AS-9). Accordingly, wherever there are uncertainties in the ascertainment/realisation of income such as interest from customers (including the financial condition of the person from whom the same is to be realised), the same is not accounted for.
- d. Profit/ loss on sale of revalued fixed assets are stated with reference to the written down value determined on the basis of their historical cost.

12. RESERVES

- a. Revaluation reserve represents the difference between the revalued amount of the assets and the written down value of the assets on the date of revaluation net of withdrawals therefrom as stated in para 4.3 above and as adjusted as per the scheme of amalgamation, arrangement and reconstruction.
- b. Debenture redemption reserve is created to the extent prescribed by SEBI guidelines in prorated equated installments from the date of issue of debentures and also withdrawn on discharge of the liabilities.
- c. Capital receipts are credited to Capital Reserve.

13. TAXATION

Tax provision is made, taking into consideration the provisions of the Minimum Alternate Tax and the contention of the Company and also the fact that certain expenditure becoming allowable on payment being made before filing the return of income/wealth.

B) NOTES TO ACCOUNTS

- 1) The accounts have been prepared taking into account the effect of proposed scheme of amalgamation, arrangement and reconstruction between SRF Limited, SRF Chemicals Limited and Tyrecord Fabric Limited (TFL) and the accounts will be effective only after necessary approvals have been received from the Honorable High Court of Delhi and High Court of Judicature of Madras and after all formalities required to effect the scheme have been complied with.
- 2) Pursuant to the scheme of amalgamation, arrangement and reconstruction, referred to above, the Engineering plastics, Fish Net Twine and Polyester Film businesses of the Company including the fixed assets, current assets, current liabilities, rights and powers together with all present & future liabilities including contingent liabilities and obligations therein have been transferred to SRF Chemicals Limited. Further, TFL, a subsidiary of the company, has been amalgamated with the company alongwith its fixed assets, current assets, current liabilities, rights and powers together with all present and future liabilities including contingent liabilities and obligations. For the purpose of the scheme, the Tyre Cord Fabric, Industrial Fabric, Fluorochemicals businesses (including the business of TFL), investments and loans & advances have been valued by independent valuers to arrive at the current values as on January 1, 2001 and the consequential difference from book values as on January 1, 2001 have been accounted for in these accounts. The effect of these accounts is as follows:

	Rs in Lakhs
On Demerger of Engineering plastics, Fishnet twine and Polyester Film business:	
Decrease in Fixed Assets (Net)	(4260.44)
Decrease in Current Assets	(3247.69)
Decrease in Current Liability	680.00
Transfer of Loans	1735.77
(A)	(5092.36)
On Amalgamation of Tyrecord Fabrics Limited (TFL)	
Increase in Fixed Assets	10085.25
Increase in Current Assets	2794.73
Increase in Current Liability	(1024.98)
Cancellation of Investment in TFL	(3325.89)
(B)	8529.11
Decrease in value of Investments	(5064.22)
Decrease in value of Loans & Advances	(10727.01)
Increase in Fixed Assets on Revaluation	1908.24
(C)	(13882.99)
A + B + C	(10446.24)
Adjusted against:	
Amalgamation Reserve	1921.92
Revaluation reserve	3027.00
Share premium	3557.32
General Reserve	1700.00
Capital Redemption Reserve	240.00

3. Share Capital

- a) Subscribed equity shares include 2034848 shares allotted as fully paid up by way of bonus shares by capitalization of reserves.
- b) Share capital suspense represents 5408 Equity shares which are awaiting allotment to the erstwhile shareholders of Flowmore Polyesters Ltd. (FPL) pending settlement of calls in arrears in respect of their shareholding in FPL.

4. Debentures

224 numbers 13.5% Debentures of Rs. 100 each which have matured for payment and are partly paid (and included under the head 'Unclaimed debentures'). 896 Equity Shares will be issued and allotted to the holders of these Debentures effective June 1, 1987, upon receipt of arrears due alongwith interest thereon.

5. Details of Security for Loans

Loan	Outstanding Amount (Rs. Lakhs)	Security
i. Term loan from financial institutions led by ICICI.	36268.13	<p>Term loans from financial institutions are secured by equitable mortgage and hypothecation of Company's immovable and moveable properties, both present and future (with certain exclusions) situated at Manali and Viralimalai both in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Kashipur in the State of Uttar Pradesh and Malanpur in the State of Madhya Pradesh. Such equitable mortgage ranking paripassu inter se between debentures, term loans from financial institutions and subject to prior charges created/to be created on certain specified movable assets for working capital facilities mentioned in ii & iii below.</p> <p>Short Term Foreign Currency loan of equivalent to Rs.600 million is not secured by Equitable Mortgage.</p> <p>In Addition</p> <p>1) Term loans from Financial Institution amounting to Rs. 19172 lakhs have been guaranteed by the Vice. Chairman & Sr. Managing Director.</p> <p>2) Term loans from ICICI amounting Rs 1800 lakhs have been secured by pledge of 32,49,990 equity shares of India Ophthalmic Lenses Manufacturing Co. Pvt. Ltd and 12,99,994 equity shares of Essilor SRF Optics Limited.</p> <p>3) Term loans from IDBI amounting Rs.1135.30 lakhs have been secured by pledge of Fixed Deposit of Rs.160.07 lakhs with them.</p> <p>4) Foreign currency loans from ICICI and IFCI amounting to Rs.11879 lakhs have been secured by pledge of 1,15,97,951 equity shares of SRF Overseas Ltd.</p>
ii. Cash credit/ working capital demand loans / L/Cs Guarantees issued by Consortium banks	1129.21	Secured by hypothecation of stocks, stores and book debts and is further secured by way of second charge on Company's immovable and moveable properties, both present and future, (with certain exclusions) situated at Manali and Viralimalai both in the State of Tamil Nadu, Jhiwana in the State of Rajasthan, Malanpur in the State of Madhya Pradesh and Kashipur in the State of Uttar Pradesh.
iii. Loans from others: Cash Credit/working Capital Demand Loan, L/Cs, Guarantees issued by ICICI Bank	218.14	Secured by hypothecation of stocks, stores and book debts both present & future situated at Manali & Viralimalai both in the state of Tamil Nadu, Jhiwana in the state of Rajasthan, Malanpur in the state of Madhya Pradesh and Kashipur in the state of Uttar Pradesh.
IV. (i) HDFC	4.64	Deposit of title deeds of certain immovable property of the Company situated in Bhiwadi in the State of Rajasthan.

Out of the above loans, a sum of Rs. 4138.28 lakhs would become due for payment within a year from the date of the balance sheet

Pursuant to the proposed scheme of amalgamation, arrangement and reconstruction, the aforesaid charges will be altered/amended to give effect to the scheme once it becomes effective.

6. Capital Commitments

The estimated amount of contracts including investment in shares remaining to be executed on capital account and not provided for amounts to Rs. 3921.06 lakhs.

7. Contingent Liabilities

- a Liability on account of Bills discounted Rs 576.93 lakhs.
- b (i) Claims against the Company not acknowledged as debts on account of:

Current Year
(Rs. Lakhs)
1610.53
397.19

Excise duty *

Sales Tax **

* Amount deposited Rs. 20 lakhs

** Amount deposited Rs. 31.44 lakhs

The Company has been advised that its contentions in the matter of disputed demands are legally tenable and hence the possibility of these maturing is remote.

- (ii) The company has been served with show cause notices regarding certain transactions as to why additional customs/excise duty amounting to Rs. 2690.99 lakhs should not be levied. The company has been advised that the contention of the department is not tenable and hence the show cause notice may not be sustained.
- c. The Collector Stamps and District Collector, Bhind has passed an order raising a demand for Rs. 2372.50 lakhs towards stamps duties for conveyancing of the immovable properties at Malanpur, District Bhind. The company has obtained interim stay of the demand and has filed a reference against the order before CCRA, Gwalior. The liability if crystallized, will be added to the cost of the assets.
- d. The Company has been served with show cause notices regarding import of N66 yarn as to why additional custom duty amounting to Rs 533.34 lakhs should not be levied. In an appeal made by the Company the Commissioner (Appeals) has remanded the order hence no provision has been made.
- e. Export obligation undertaken by the Company to be completed over five years on account of import of capital goods at concessional import duty amount to Rs.7420 lakhs.
- f. Guarantees Provided on behalf of other companies for repayment of loans and interest thereon

31/12/00

(Rs. lakhs)

SRF Overseas Ltd

3644.16

(A wholly owned subsidiary company)

Shriram Needle Bearings Ltd

825.45

(An erstwhile subsidiary company)

Total

4469.61

- g. The Company has received communication from SIPCOT demanding the following in respect of the unit at Gummidipoondi :
 - (i) To remit the differential land cost at the rate of Rs 7.5 lakhs per acre towards the land allotted.
 - (ii) To return the unutilized part of the land
 - (iii) To reimburse to SIPCOT the cost of the dedicated water supply pipe line of Rs 342.40 lakhs provided through TWAD board
 - (iv) To surrender the private land of 31.73 acres acquired from private sources, as it has not been used for the purpose it has been acquiredAs the Company has taken up the matter with SIPCOT for the wavier of the above demands/conditions, no provision has been made in the books in this matter.

8. Fixed Assets

- a. The deed of assignment in respect of freehold land at Manali, Chennai has been executed in respect of 136.49 acres in the possession of the Company. The provisional payment made for land is in respect of 150.38 acres amounting to Rs.18.44 lakhs.
- b. Conveyancing of Buildings and other superstructures located at Company's plant at Malanpur including immovable machinery is in progress.
- c. The title deeds in respect of the freehold land at Goomudipoondi are yet to be transferred in the name of the Company.

9. Statement of Investments (Non-Trade unless otherwise stated)

S. No.	Name of the security / Name of the Company	Numbers as on 01.01.01	Nominal value per unit	Current/ Book ValueCost 01.01.01	(Rs in lakhs) Book Values as on 31/12/2000	
I	Long Term Investments					
(A)	Quoted Equity Shares:					
(i)	DCM Shriram Consolidated Ltd	40000	Rs. 10 fully paid	20.40		68.00
(ii)	Industrial Finance Corporation of India Ltd	500000	Rs. 10 fully paid	31.50		50.00
	Total @			51.90		118.00
(B)	Unquoted Equity/Preference Shares :-					
(i)	SRF Overseas Ltd. Dubai * (Wholly Owned Subsidiary Company.)					
	Equity - Trade	19077951	\$1 fully paid.	6765.58		6765.58
(ii)	SRF Americas Inc. - (Wholly Owned Subsidiary Company) -					
	Equity - Trade	1600000	\$1 fully paid.	00.00		561.81
(iii)	SRF International (BVI). Ltd. - (Wholly Owned Subsidiary Company.) -					
	Equity - Trade	50000	\$10 fully paid.	00.00		157.33
(iv)	SRF Transnational Holdings Ltd. (and reduced) - (Wholly Owned					
	Subsidiary Company) - Equity	1124184	Rs100 fully paid.	00.00		1472.57
(v)	Shriram Bearings Ltd - Preference					
	Shares.	22250000	Rs.10 fully paid	00.00		2225.00
(vi)	Essilor SRF Optics Limited - Equity**	1299994	Rs.10 fully paid	49.35		130.00
(vii)	Indian Ophthalmic Lenses					
	Manufacturing Co. Pvt. Ltd. -Equity**	3249990	Rs.10 fully paid	57.59		325.00
(viii)	Sanghi Spinners Ltd - Equity	670000	Rs.10 fully paid	11.69		243.00
	Total (B)			6884.21		11880.29
(C)	Short Term Investments					
(II)	Quoted Equity Shares:					
(i)	ICICI Ltd	6430	Rs 10 fully paid.	* 6.04		0.94
(ii)	Housing Development Finance					
	Corporation of India Ltd.	1490	Rs 10 fully paid.	8.06		0.39
	Total (C) @			14.10		1.33
(D)	Unquoted Investment other Investment					
(i)	State Bank of India					
	- Bonds ****	2500	Rs 1000	31.40		25.12
(ii)	Canara Bank Mutual Fund	100	Rs. 1000	1.00		1.00
(iv)	Unit Trust of India (US 64) (Repurchase					
	price of Rs. 13.80 as on 31.12.2000					
	against the average cost of acquisition					
	of Rs. 15.21). ****	2453524	Rs. 10.00	338.58		359.66
	Total (D)			370.98		385.78

* 11597951 Shares are pledged with ICICI as security for loans obtained

** These are joint venture companies and if shares are sold sale proceeds are to be repaid to ICICI.

**** Represents liquid investments earmarked for Fixed Deposits.

@ Aggregate market value of quoted Investment

	Rs. lacs
a) Long Term	51.90
b) Short Term	14.10
Total	76.00

10. Leased Assets

The Company has taken on lease certain fixed assets, the cost and net depreciated value and lease rental for balance duration, are as under: -

		01.01.01	(Rs. lakhs) 01.01.01
	Cost	Net depreciated value	Lease Rent for balance period
Furniture and Fixture, Office Equipment, etc.	143.40	48.16	91.39
Plant and Machinery	2720.61	1346.63	247.08
Vehicles	447.83	381.85	307.03
TOTAL	3311.84	1776.64	645.50

11. Sundry Debtors

Sundry debtors include Rs.399.48 lakhs due from SRF Americas Inc. a wholly owned subsidiary.

12. Loans and Advances

- a. Rs. 800 lakhs to SRF Employees Welfare Company Limited (SRFEWC) with a view to enabling the said SRFEWC to subscribe to the convertible debentures/shares of the Company to be held by it for the benefit of employees of the Company.
- b. Loans to Officers of the company:
 - (i) Interest free housing loan to a former Managing Director (currently working as CEO & Group Head) Rs.111.70 lakhs. Maximum balance Rs. 111.70 lakhs.
 - (ii) Interest bearing loan to an officer Rs.0.33 lakhs, Maximum balance Rs. 0.36 lakhs.
- c. Advances recoverable in cash or in kind or for value to be received included under the head Loans and Advances include:
 - (i) Rs. 55 lakhs being interest free loans repayable on demand to a wholly owned subsidiary. The Company has a lien on the investments made by the subsidiary out of these loans and its share capital and a right to charge interest thereon retrospectively.
 - (ii) Rs. 799.51 lakhs as security deposit for accommodation taken on lease.

13. Amount received in Trust

Amount received in trust shown under Current liabilities represent moneys received in foreign exchange by the Company on behalf of M/s. E.I. Dupont Denemours Co., USA for effecting settlement for the liabilities of M/s. Dupont Fibers Ltd, India (now known as Tyre Cord Fabric Ltd) which is being amalgamated with the Company.

14. Over dues to SSI Unit over Rs. 1 lakhs

Party Name	Amount (Rs. Lakhs.)
(1) Jhansi Plastics P. Ltd	1.77
(2) Polifil Corporation	1.99

15. The Company has requested for confirmation of major balances of creditors, debtors, loans and advances. However only few confirmations have been received.

16. Provision for Taxation

Provision has been made for the tax liability u/s 115 JA of the Income Tax Act 1961.

AUDITORS' REPORT

To the Shareholders of
TYRECORD FABRIC LIMITED

We have audited the attached Balance Sheet of Tyrecord Fabric Limited, as at 31st December, 2000 and the Profit & Loss Account for the period ended on that date annexed thereto and report that:

1. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books.
3. The Balance Sheet and the Profit & Loss Account, dealt with by this report, are in agreement with the books of account and returns.
4. In our opinion the Balance Sheet and the Profit & Loss Account comply with the mandatory Accounting Standards referred in Sub Section (3c) of Section 211 of the Companies Act, 1956.
5. Attention is drawn to the note no. 2(b), regarding the company having received communication from SIPCOT making demand, for return of unutilised land, surrender of land acquired from private sources, remittance of differential cost of land and reimbursement for water supply pipelines, and the company having taken up the matter with SIPCOT for waiver of the abovementioned demands/conditions.
6. In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with the accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

(i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st December, 2000; and

(ii) in the case of Profit & Loss Account, of the loss incurred by the Company for the period ended on that date.

Chennai
July 12, 2001

For THAKUR, VAIDYANATH AIYAR & CO;
Chartered Accountants,

V. Rajaraman
Partner

TYRECORD FABRIC LIMITED

(formerly Dupont Fibers Limited)

Regd. Office : Plot K-1, SIPCOT Industrial Complex, Gumidipoondi-601 201, Tamil Nadu

BALANCE SHEET AS AT DECEMBER 31, 2000

	Schedule		As at Dec 31, 2000 Rs.	As at March 31, 2000 Rs.
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	2,806,218,250	2,806,218,250	
Reserves and Surplus	2	<u>241,111,290</u>	<u>241,111,290</u>	3,047,329,540
- Share Premium Account				
Loan Funds				
Unsecured Loan	3		14,500,000	—
(from holding company)				
Total			<u>3,061,829,540</u>	<u>3,047,329,540</u>
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	4	2,232,972,370	2,231,551,920	
Less : Depreciation		<u>479,333,863</u>	<u>356,058,741</u>	
Net Block		1,753,638,507	1,875,493,179	
Capital Work in Progress		<u>26,526,795</u>	—	1,875,493,179
Current Assets, Loans and Advances				
Inventories	5	191,609,405	96,050,735	
Sundry Debtors	6	66,972,745	97,249,639	
Cash and Bank Balances	7	24,323,678	61,077,672	
Other Current Assets - Interest accrued on bank deposits			74,314	
Loans and Advances	8	<u>34,079,823</u>	<u>33,028,610</u>	
		<u>316,985,652</u>	<u>287,480,970</u>	
Less :				
Current Liabilities and Provisions				
Liabilities	9	123,992,357	81,588,753	
Provisions		<u>1,518,460</u>	<u>1,292,335</u>	
		<u>125,510,817</u>	<u>82,881,088</u>	
Net Current Assets			191,474,835	204,599,882
Profit and Loss Account			<u>1,090,189,403</u>	<u>967,236,479</u>
Total			<u>3,061,829,540</u>	<u>3,047,329,540</u>
Notes on Accounts	16			

The Schedules referred to above form an integral part of the Accounts.

For THAKUR VAIDYANATH AIYAR & CO.,
Chartered Accountants

V. Rajaraman
Partner
Chennai
Dated: 12.7.2001

Chief Manager (Finance)

Director

Director

PROFIT AND LOSS ACCOUNT FOR THE NINE MONTHS ENDED DECEMBER 31, 2000

	Schedule	Period ended Dec 31, 2000 Rs.	Year ended March 31, 2000 Rs.
Income			
Sales (including Excise Duty)		222,452,366	729,107,484
Conversion Income			
Other Income	10	<u>4,706,654</u>	<u>10,267,507</u>
		<u>243,241,616</u>	<u>739,374,991</u>
Expenditure			
Raw Materials Consumed	11	185,761,743	419,551,814
(Increase) \ Decrease in closing stock	12	(66,942,092)	79,095,459
Excise Duty		51,285,318	117,924,616
Cost of Nylon 6,6 Yarn - Traded			
Employee Costs	13	19,117,090	33,633,446
Other Expenses	14	52,465,344	126,939,346
Depreciation		123,275,123	166,390,311
Interest and Finance Charges	15	1,232,015	5,013,033
Preliminary and Deferred Expenses amortised / written off		—	103,159,234
		<u>366,194,540</u>	<u>1,051,707,259</u>
Loss for the period		122,952,924	312,332,268
Extra-ordinary Item			
Technical know-how fee written off			73,052,100
Loss for the period		122,952,924	385,384,368
Balance brought forward from prior period		967,236,479	581,852,111
Loss carried to the Balance Sheet		<u>1,090,189,403</u>	<u>967,236,479</u>
Notes on Accounts	16		

The Schedules referred to above form
an integral part of the Accounts

For THAKUR VAIDYANATH AIYAR & CO.,
Chartered Accountants

Chief Manager (Finance)

Director

Director

V.Rajaraman
Partner
Chennai

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at December 31, 2000 Rs.	As at March 31, 2000 Rs.
SCHEDULE 1 - SHARE CAPITAL		
Authorised		
281,000,000 Equity shares of Rs. 10 each	2,810,000,000	2,810,000,000
500,000 Preference shares of Rs. 100 each	50,000,000	50,000,000
	<u>2,860,000,000</u>	<u>2,860,000,000</u>
Issued and Subscribed		
280,621,825 (held by SRF Limited, the holding company and its nominees) Equity Shares of Rs. 10 each fully paid up	2,806,218,250	2,806,218,250
	<u>2,806,218,250</u>	<u>2,806,218,250</u>
SCHEDULE 2 - RESERVES AND SURPLUS		
Capital Reserve (Refer Note 3 a)	117,180,000	117,180,000
Securities Premium Account (Refer Note 3 b)	123,931,290	123,931,290
	<u>241,111,290</u>	<u>241,111,290</u>
SCHEDULE 3 - UNSECURED LOAN		
Loan from Holding company - Interest Free	14,500,000	—
	<u>14,500,000</u>	<u>—</u>

SCHEDULE 4 : FIXED ASSETS

Description	Cost as at March 31, 2000	Additions	Gross Block Deletions Adjustments	Sales	Cost as at		Depreciation		Upto Dec 31, 2000	Net Block	
					Dec 31 2000	March 31, 2000	For the period	On sales		As at Dec 31, 2000	As at March 31, 2000
Leasehold											
Land	65,776,530	—	—	—	65,776,530	—	—	—	—	65,776,530	65,776,530
Freehold Land	13,732,483	1,173,000	—	—	14,905,483	—	—	—	—	14,905,483	13,732,483
Buildings	858,357,682	—	—	—	858,357,682	62,890,722	21,496,775	—	84,387,497	773,970,185	795,466,960
Plant and Machinery	1,258,143,909	—	—	—	1,258,143,909	268,255,568	97,011,855	—	365,267,423	892,876,486	989,888,341
Furniture, Fixtures and Office Equipment	33,936,763	247,450	—	—	34,184,213	23,948,984	4,553,112	—	28,502,096	5,682,117	9,987,779
Vehicles	1,604,553	—	—	—	1,604,553	963,467	213,380	—	1,178,847	427,706	641,086
Total	2,231,551,920	1,420,450	—	—	2,232,872,370	356,058,741	123,275,122	—	479,333,863	1,753,638,507	1,874,483,179
Previous period	2,267,138,814	4,767,912	13,523,013	26,829,793	2,231,551,920	200,663,057	166,390,311	10,994,627	356,058,741		

Note:

The additions in Freehold land represents establishment charges paid to SIPCOT

	As at December 31, 2000 Rs.	As at March 31, 2000 Rs.
SCHEDULE 5 - INVENTORIES		
Raw materials	111,524,958	82,601,353
Stores and spares	1,310,991	1,618,018
Stock-in-Process	19,650,383	6,207,786
Finished Goods	59,123,073	5,623,578
	<u>191,609,405</u>	<u>96,050,735</u>

SCHEDULE 6 - SUNDRY DEBTORS

	As at December 31, 2000 Rs.	As at March 31, 2000 Rs.
Unsecured - Considered good		
Debts outstanding for a period exceeding six months		
Considered good	—	—
Considered doubtful	1,491,857	
Other debts		
Considered good	66,972,745	97,249,639
Considered doubtful	—	1,172,844
	68,464,602	98,422,483
Less : Provision for doubtful debts	1,491,857	1,172,844
	<u>66,972,745</u>	<u>97,249,639</u>

SCHEDULE 7 - CASH AND BANK BALANCES

Cash on hand	37,955	1,043
Balances with scheduled banks		
Current account	24,285,723	26,076,629
Deposit account	—	35,000,000
	<u>24,323,678</u>	<u>61,077,672</u>

SCHEDULE 8 - LOANS AND ADVANCES

Unsecured		
Advances recoverable in cash or in kind or for value to be received		
Considered good	11,378,096	7,498,688
Considered doubtful	5,788,360	4,542,937
Balances with excise and customs		
Considered good	338,764	408,212
Considered doubtful	10,271,944	9,870,545
Cenvat Recoverable	15,243,493	18,194,915
Other Deposits	7,119,470	6,926,795
	50,140,127	47,442,092
Less : Provision for doubtful advances	16,060,304	14,413,482
	<u>34,079,823</u>	<u>33,028,610</u>

SCHEDULE 9 - CURRENT LIABILITIES AND PROVISIONS

LIABILITIES		
Sundry Creditors	113,769,455	81,476,564
Other liabilities	(62,863)	112,189
Due to Holding Company	10,285,764	—
	<u>123,992,357</u>	<u>81,588,753</u>
PROVISIONS		
Leave encashment	1,518,460	1,292,335
	<u>1,518,460</u>	<u>1,292,335</u>

Period ended
December 31, 2000

Year ended
March 31, 2000

SCHEDULE 10 - OTHER INCOME

	Rs.	Rs.
Sale of scrap etc.	1,103,748	1,408,868
Agency Commission	—	1,054,734
Interest on deposits etc (Gross)	1,658,152	702,225
(tax deducted at source Rs.66,019		
[previous period - Rs. Nil])		
(tax deducted at source Rs.Nil [previous year - 83.566])		
Provisions no longer required written back	1,903,043	5,406,884
Miscellaneous income	41,711	1,694,796
	<u>4,706,654</u>	<u>10,267,507</u>

Period ended
December 31, 2000
Rs.

Year ended
March 31, 2000
Rs.

SCHEDULE 11 - RAW MATERIALS CONSUMED

Opening Stock	82,601,353	95,580,798
Add: Purchases	214,685,348	406,572,369
Sub Total	297,286,701	502,153,167
Less: Closing Stock	111,524,958	82,601,353
Raw Materials Consumed	<u>185,761,743</u>	<u>419,551,814</u>

SCHEDULE 12 - (INCREASE) \ DECREASE IN STOCK

Opening Stocks				
Work-in-progress	6,207,786		17,787,432	
Finished goods	<u>5,623,578</u>	11,831,364	<u>73,139,391</u>	90,926,823
Closing Stocks				
Work-in-progress	19,650,383		6,207,786	
Finished goods	<u>59,123,073</u>	78,773,456	<u>5,623,578</u>	11,831,364
(INCREASE) / DECREASE		<u>(66,942,092)</u>		<u>79,095,459</u>

SCHEDULE 13 - EMPLOYEE COSTS

Salaries and Wages	13,787,373	25,447,135
Contribution to Provident and Other Funds	1,706,557	3,137,974
Welfare Expenses	<u>3,623,160</u>	<u>5,048,337</u>
	<u>19,117,090</u>	<u>33,633,446</u>

SCHEDULE 14 - OTHER EXPENSES

Stores and spares consumed	2,594,790	7,012,738
Dipping Charges		2,619,272
Power and Fuel	32,692,445	55,640,502
Rent		927,368
Repairs and maintenance		
Buildings	17,523	275,049
Plant and Machinery	2,303,505	3,918,657
Others	<u>331,423</u>	<u>1,099,336</u>
Insurance	3,145,274	2,338,435
Rates and Taxes	471,526	1,283,527
Communication	1,253,792	3,933,344
Advertisement	—	365,572
Travelling and conveyance	933,876	4,001,256
Professional and legal expenses	999,139	2,141,935
Auditors' Remuneration		
Audit Fee	300,000	400,000
Other Services	—	1,667,000
Out of pocket expenses	<u>300,000</u>	<u>26,085</u>
Exchange loss	17,184	2,558,100
Software Expenses	427,447	1,327,229
Selling Expenses	4,227	772,208
Loss on fixed assets sold / discarded	—	11,450,289
Provision for doubtful debts / advances	720,412	15,586,326
Miscellaneous Expenses	<u>6,252,781</u>	<u>7,595,118</u>
	<u>52,465,344</u>	<u>126,939,346</u>

	Period ended Dec 31, 2000 Rs.	Year ended March 31, 2000 Rs.
SCHEDULE 15 - INTEREST AND FINANCE CHARGES		
Interest on term loans	61,540	3,406,894
Bank Charges	1,170,475	1,606,139
	<u>1,232,015</u>	<u>5,013,033</u>

SCHEDULE 16 - ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A Accounting Policies

1 Basis of preparation of financial statements

The financial statements have been prepared on the historical cost convention basis. The generally accepted accounting principles and the Accounting Standards referred under section 211(3C) of the Companies Act 1956 have been adopted by the Company and disclosures made in accordance with the requirements of Schedule VI of the Companies Act 1956 and the Indian Accounting standards.

2 Fixed Assets

Fixed assets are stated at historical cost. Cost includes taxes, duties, freight and other incidental expenses related to acquisition, construction and installation including finance cost on borrowings incurred during the construction period and is net of duty credits under Modvat Scheme where applicable.

3 Depreciation

- (1) Building, Plant & Machinery are depreciated on straight line method as per rates prescribed in Schedule XIV of the Companies Act 1956.
- (2) Other Assets, economic useful life being shorter than the life envisaged as per rates prescribed under Schedule XIV of the Companies Act 1956 are depreciated over such economic useful life under straight line method at the following rates:

Asset category	Rates used (Per annum)
Electrical Equipment	7.07%
Furniture, Fixtures and Office Equipment	
Furniture and Fixtures	9.50 %
Office Equipment	23.75 %
Computers	31.66 %
Vehicles	18.00 %

Depreciation on additions / deletions is restricted to the period of use. Assets costing individually upto Rs.5,000 are fully depreciated in the year of addition.

4 Inventories

- Closing stock of finished goods is valued at lower of cost or estimated realisable value. For this purpose, cost is being reckoned as full cost (exclusive of interest, selling and distribution and administrative overheads) net of excise duty on yarn and includes excise duty on the finished goods.
- Closing stock of work in-progress is valued at the lower of the cost or estimated realisable value; for this purpose cost does not include Excise duty.
- Inventory of raw material is valued at lower of weighted average cost and net realisable value of the final product after deducting the fully variable costs of manufacture.
- Inventory of Stores and spares is valued at weighted average cost.

5 Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates ruling on the date of the transactions. The year end foreign currency assets and liabilities are restated at the closing exchange rates. Exchange differences arising on actual payments / realisations and from year end restatement are

- adjusted to the cost of fixed assets if the related foreign currency payment is made / liability is contracted for acquisition of fixed assets and
- reckoned in the revenue, in all other cases.

6 Retirement Benefits

Liabilities in respect of gratuity and Superannuation are determined in accordance with the Schemes formulated by the Company and contributions as per the rules of the said Schemes are made to the respective Funds administered by Life Insurance Corporation of India. All contributions are charged to Profit and Loss Account as they become due. Provision for leave encashment is made based on the maximum amount payable at the year end.

B Notes to Accounts

1 Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs.277.11 lakhs(Previous year Rs.Nil)

2 Contingent Liabilities

- a The company has been served with show cause notices regarding import of N66 yarn as to why additional levy of customs duty amounting to Rs.533.34 lakhs (previous year Rs.Nil) should not be levied. In an appeal made by the company the Commissioner (Appeals) has remanded the order hence no provision has been made.
- b Company has received communication from SIPCOT demanding the following:
- To remit the differential land cost at the rate of Rs.7.5 lakhs per acre towards the land allotted.
 - To return the unutilised part of the land.
 - To reimburse to SIPCOT the cost of the dedicated water supply pipeline of Rs.342.40 lakhs provided through TWAD Board.
 - To surrender the private land of 31.73 Acres acquired from private sources as it has not been used for the purposes for which it has been acquired.

As the company has taken up the matter with SIPCOT for waiver of above demands / conditions, no provision has been made in the books in this matter.

3 Reserves and surplus

- a Capital reserve represents the amount waived by DuPont Chemical and Energy Operations Inc USA out of the loan taken from them.
- b Securities premium represents premium at the time of conversion of series B zero % Optionally Convertible Debentures in the year 1999

4 Fixed Assets

The title deeds in respect of freehold land are yet to be transferred in the name of the Company.

5 After the agreement for transfer of entire share capital of the company to M/s. SRF Limited was concluded, a petition was filed against the company from transferring, selling and alienating any of its properties including land and factory at Pathappalayam Village, Gummidipoondi or shares thereunder. Against the said order, the company filed a revision petition with Honourable High Court of Madras who by their order dated 27.04.2000 have set aside the order to extent it relates to injunction restraining the transfer of shares. The company has thereafter effected the transfer of shares in favour of SRF Limited and its nominees.

Subsequently, a contempt of court petition was filed against the company for effecting the transfer of shares in favour of M/s. SRF Limited. Steps are being taken to vacate the said petition.

6 Consumption of Raw Materials

Description	December 31, 2000			March 31, 2000		
	% to total consumption	Quantity Kgs	Value Rs	% to total consumption	Quantity Kgs	Value Rs
Nylon Yarn (imported)	98	1,348,134	182,448,684	99	2,943,979	413,790,652
Cotton (indigenous)	2	16,726	3,313,059	1	33,881	5,761,162
	100		185,761,743	100		419,551,814

7 Registered and Installed Capacity and Actual Production

Nylon Tyrecord Fabric		Quantity Kgs	Quantity Kgs
Registered Capacity - Kgs per annum		13,000,000	13,000,000
Installed Capacity - Kgs per annum		6,500,000	6,500,000
Actual Production - Own account - Kgs		1,280,642	2,944,638
- Conversion Contract - Kgs		529,460	-

8 Particulars of Sales and Stocks

	December 31, 2000		March 31, 2000	
	Quantity Kgs	Value Rs	Quantity Kgs	Value Rs
Nylon Tyrecord Fabric				
Opening Stock	24,425	5,623,578	406,332	73,139,391
Sales	1,021,824	221,972,665	3,326,431	715,129,252
Samples	—	—	114	—
Closing Stock	283,243	59,123,073	24,425	5,623,578

	December 31, 2000 Rs.	March 31, 2000 Rs.
9. Value of imports calculated on CIF basis		
Raw Materials	141,590,994	276,308,559
Capital Goods	Nil	1,763,581
10. Expenditure in Foreign Currency		
Travel	Nil	101,263
Interest on term loan	Nil	3,406,894
Others	562,422	276,160
11. Earnings in Foreign Exchange		
F.O.B. Value of Exports	212,887	1,145,027
Commission	Nil	1,054,734
12. The Company is in the process of recruiting and appointing a company secretary.		

Balance Sheet abstract and Company's general business profile as per part IV of Schedule VI to the Companies Act, 1956

I. Registration details

Registration no	38801
Balance Sheet date	31.12.2000
State Code	18

II Capital raised during the year

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III Position of mobilisation and deployment of funds

	Rs. 000
Total Liabilities	3,061,830
Total assets	3,061,830
Sources of funds	
Paid up Capital	2,806,218
Reserves and surplus	241,111
Secured loans	-
Unsecured loans	14,500
Application of funds	
Net fixed assets	1,780,165
Net current assets	191,475
Profit and Loss Account	1,090,189

IV Performance of company

	Rs.000
Turnover	243,242
Total expenditure	366,195
Profit/(Loss) before tax	(122,953)
Profit/(Loss) after tax	(122,953)
Earnings per share	Nil
Dividend rate	Nil

Generic names of three principal products/services of company (as per monetary terms)

Item Code no. (ITC code)	Product description
54071000	Nylon 6.6 Tyrecord Fabric
59.02	Nylon 6 Tyrecord Fabric

Previous year figures have been regrouped/recast wherever necessary to conform to current year's classification.

ANNEXURE - IV

DETAILS OF THE IMMOVABLE PROPERTIES OF TFL TO BE TRANSFERRED TO AND VESTED IN SRF

1. 32.91.275 acres of freehold land bearing Survey Nos. 135/6, 141/3, 141/3, 142/5A, 135/2A1, 134/8B, 134/9B, 141/5, 134/6, 141/5, 141/4, 134/7, 134/4, 138/5A, 142/9, 142/7, 134/1, 142/1, 135/3D, 135/4, 135/2A3, 135/2A4, 142/5C, 138/8, 141/2, 142/6B, 138/8, 143/6, 135/1, 135/2A2, 142/5B, 142/3B, 138/7B, 134/9A, 143/5B, 142/6A, 141/1B, 142/8B, 142/8D, 134/8A, 135/3A, 134/9C, 135/3B, 141/1C, 142/8C, 142/8A, 142/4, 142/2, 143/4A, 138/5B, 135/9, 138/7A, 135/8B, 143/4A, 142/3A, 142/10, 135/2B, 135/8A, 141/1, 142/8, 135/5, 143/4C, 143/5A, 134/3, 134/5, 135/3C, 134/2, 135/7, 141/1A, 142/8A, 143/4B and 143/4D situated within the village limits of Pappankuppam Taluk of Gummidipundi Sub-Registration District of Chengai MGR Revenue District in the State of Tamil Nadu, along with the buildings standing thereon and 137.70 acres of leasehold land bearing Survey Nos. 139 part, 140, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 258, 259, 260 and 261 part situated at Plot Nos. K1 in the SIPCOTs Industrial Complex at Gummidipoondi within the village limits of Pappankuppam Taluk of Gummidipundi Sub-Registration District of Chengai MGR Revenue District in the State of Tamil Nadu, along with the buildings standing thereon, the details of which are available in the books of accounts of TFL, and will be more fully stated in the Schedule of Assets to be filed subsequent to the sanction of the said Scheme.

ANNEXURE - V

DETAILS OF THE IMMOVABLE PROPERTIES OF EP AND FNT DIVISIONS OF SRF TO BE TRANSFERRED TO AND VESTED IN SRFC

1. Proportionate share in 13.63.992 acres of freehold land bearing Survey No. 234 situated at Manali Industrial Area, Village Manali, Ambattur Taluk, Thiruvallavar District (formerly Taluk Saidapet, District Chingleput) in the State of Tamil Nadu, along with the buildings standing thereon, the details of which are available in the books of account in respect of EP and FNT, and will be more fully stated in the Schedule of Assets to be filed subsequent to the sanction of the said Scheme.

ANNEXURE - VI

DETAILS OF THE IMMOVABLE PROPERTIES OF THE PF DIVISION OF SRF TO BE TRANSFERRED TO AND VESTED IN SRFC

1. 12 acres of freehold land bearing Khasra No.12 situated at Plot No.12, Industrial Area in Tehsil Kashipur, Village Rampura, District Nainital in the State of Uttaranchal, along with the buildings standing thereon, the details of which are available in the books of account of PF and will be more fully stated in the Schedule of Assets to be filed subsequent to the sanction of the said Scheme.

SCHEDULE

Schedule of Assets of SRF Limited to be transferred to SRF Chemicals Ltd.

Part I

(Insert a short description of the freehold property of the transferor company)

1. **Details of the immovable properties of EP and FNT Divisions of SRF Limited**

Proportionate undivided share of land admeasuring 13.63992 acres out of a total of 139.49 acres of freehold land bearing Survey No. 234/2 (part) and Survey No. 234/3 (part) situated at Manali Industrial Area, Village Manali, Ambattur Taluk, Thiruvallavar District (formerly Taluk Saidapet, District Chingleput) in the State of Tamil Nadu, along with the buildings as stated hereinbelow standing thereon.

Bounded on the North by : SRF Limited Plant Building – main corridor
Bounded on the South by: Internal Road of SRF Limited,
Bounded on the East by : Internal Road of SRF Limited,
Bounded on the West by : Polymer Plant building and lawn of SRF
Limited

Details of Buildings

Details of Buidlings	Area (EP Division)	Area (FNT Division)
Ground Floor 0.0 Meter	868 Sq. Meters	255 Sq. Meters
First floor 5.5 Meters	172 Sq. Meters	250 Sq. Meters
Second Floor 10.0 Meters	Nil	750 Sq. Meters
Third Floor 15.0 Meters	Nil	650 Sq. Meters
Fourth Floor 19.0 Meters	Nil	650 Sq. Meters
Fifth Floor 23.0 Meters	Nil	300 Sq. Meters
Sixth Floor 25.4 Meters	Nil	50 Sq. Meters
Total Area	1040 Sq. Meters	2905 Sq. Meters

Details of immovable properties of the PF Division of SRF Limited

12 acres of freehold land bearing Khasra No.12 situated at Plot No. 12, Industrial Area in Tehsil Kashipur, Village Rampura, District Nainital in the State of Uttaranchal, along with the buildings standing thereon and

Bounded on the North by : Khasra No. 10 and 11
Bounded on the South by : Khasra No. 14 and 15
Bounded on the East by : Nahar (Canal) and state highway
Bounded on the West by : Khasra No. 13 and Railway Track

Part II

(Insert a short description of the leasehold property
of the transferor company)

Nil

Part III

**(Insert a short description of all stocks, shares, debentures and other
charges in action of the transferor company)**

Nil

SCHEDULE

Schedule of Assets of Tyrecord Fabric Limited to be transferred to SRF Limited

Part I

(Freehold immoveable property of the transferor company)

32.91.275 acres of freehold land bearing Survey Nos.135/6, 141/3, 142/5A, 135/2A1, 134/8B, 134/9B, 134/6, 141/5, 141/4, 134/7, 134/4, 138/5A, 142/9, 142/7, 134/1, 142/1, 135/3D, 135/4, 135/2A3, 135/2A4, 142/5C, 138/8, 141/2, 142/6B, 143/6, 135/1, 135/2A2, 142/5B, 142/3B, 138/7B, 134/9A, 143/5B, 142/6A, 141/1B, 142/8B, 142/8D, 134/8A, 135/3A, 134/9C, 135/3B, 141/1C, 142/8C, 142/8A, 142/4, 142/2, 143/4A, 138/5B, 135/9, 138/7A, 135/8B, 142/3A, 142/10, 135/2B, 135/8A, 141/1, 142/8, 135/5, 143/4C, 143/5A, 134/3, 134/5, 135/3C, 134/2, 135/7, 141/1A, 143/4B and 143/4D situated within the village limits of Pappankuppam Taluk of Gummidipundi Sub-Registration District of Chengai MGR Revenue District in the State of Tamil Nadu, along with the buildings standing thereon.

Part II

(Leasehold immoveable property of the transferor company)

137.70 acres of leasehold land bearing Survey Nos.139 part, 140, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 258, 259, 260 and 261 (part) situated at Plot Nos.K1 in the SIPCOTs Industrial Complex at Gummidipoondi within the village limits of Pappankuppam Taluk of Gummidipundi Sub-Registration District of Chengai MGR Revenue District in the State of Tamil Nadu, along with the buildings standing thereon.

Part III

(Stocks, shares, debentures and other charges in action of the transferor company)

NIL

Dated this the 17th & 22nd day of January, 2002

(By order of the Court)

(Registrar Admn. Judl.)

Orders

22.1.2002

Present: Mr.Abhimanyu Mahajan for the petitioner.

CP.No.339/01

Upon being mentioned by the learned counsel for the petitioner, the matter is taken up today.

The learned counsel for the petitioner prays for modification of the Order dated 17th of January, 2002. Accordingly, the Order dated 17.1.2002 is modified and will now be read as under:

"17.1.2002

Present: Mr.Rajiv Nayar, Senior Advocate with S/Sh.Sanjay Khaitan, Ashish Dholakia & Abhimanyu Mahajan for the petitioners. Mr.Saud Ahmed, A.R. for Regional Director, Department of Company Affairs, Kanpur.

CP No.339/01

This petition is filed under sections 391(2) and 394 of the Companies Act praying for grant of sanction to a Scheme of Amalgamation between M/s SRF Ltd.; M/s SRF Chemicals; M/s Tyrecord Fabric Ltd., (Transferor Companies) and their respective shareholders (Transferees) . The petitioners herein are SRF Ltd., and SRF Chemicals Ltd.

The registered offices of the petitioner companies are situated at Express Building, 9-10, Bahadur Shah Zafar Marg, New Delhi 110 002, within the territorial jurisdiction of this Court.

A copy of the Scheme of Amalgamation/Arrangement and Reconstruction (Annexure 'A' at pages 27-100 to the petition) has been placed on record. The salient features of the Scheme and the circumstances which necessitated the amalgamation of the companies have been explained in the petition.

The Boards of Directors of the petitioner companies have passed the separate Resolutions, approving the Scheme of Amalgamation, the true copies of which have been placed on record. The petitioner companies had filed CA.Nos.1236-37/2001, praying for directions regarding dispensing with the requirement of convening and holding the meeting of the shareholders/creditors of SRF Chemicals Ltd. and also prays for convening and holding of the meetings of the shareholders/creditors of SRF Ltd., for the

purpose of considering and approving the Scheme of Amalgamation. By Order dated 13th August, 2001, passed in the said applications, directions were issued by this Court to dispense with the requirement of convening and holding the meeting of the shareholders/creditors of SRF Chemicals Ltd. for the purpose of considering and approving the scheme and further directed the convening and holding the meeting of the shareholders/unsecured creditors of SRF Ltd. for the purpose of considering and approving the Scheme. Chairperson & Alternate Chairperson were appointed by the Court to conduct the said meeting. The Chairperson appointed by the Court has filed Report, stating that the meetings of the shareholders/creditors have unanimously approved the Scheme of Amalgamation. It is stated in the petition that no proceedings under Sections 235 to 251 of the Companies Act are pending against the petitioner company.

Notice of this petition was issued to the Regional Director, Northern Region, Department of Company Affairs, Kanpur. The Regional Director has filed its Report dated 7th of January, 2002, stating that it has no objection to the grant of sanction to the proposed Scheme of Amalgamation, Arrangement and Reconstruction except a submission made in Para 9 which read as follows:

"That the Deponent craves leave to refer that as per sub para 5.3 of the Scheme wherein it is stated that upon sanction of this scheme and with effect from the Effective Date, the Memorandum of Association of SRFC shall stand altered and amended by substitution of the following new clause I in place and stead of the existing Clause I:

"The name of the Company is SRF Polymers Limited" The Deponent, therefore, submits that the petitioner company namely SRF Chemicals Ltd. be directed to get its name changed under section 21 of the Companies Act, 1956."

Mr.Nayar, the learned Senior Counsel, appearing for the petitioners has drawn attention of this Court to Para 5.3 of the Scheme which reads as under:

" Upon sanction of this Scheme and with effect from the Effective date, the Memorandum of Association of SRFC shall stand altered and amended by substitution of the following new clause I in place and stead of the existing Clause I:

"The name of the Company is SRF Polymers Limited."

The said Scheme postulates that upon the sanction of the Scheme and with effect from the effective date, the name of the Company will become "SRF Polymers Limited" and this would meet the sole objection, raised on behalf of the Regional Director, Department of Company Affairs of the change of the name of the Company to SRF Polymers Limited.

Notice of the petition was also advertised in 'Indian Express' (English) and 'Jansatta' (Hindi). However, nobody has filed any objection to the grant of sanction to the said Scheme.

Having regard to the averments in the petition and the materials placed on record, I am satisfied that the petitioner companies have disclosed to this Court all material facts relating to the companies as required under Section 391 of the Companies Act. Since the shareholders and the creditors of the companies have approved the said Scheme and since the Central Government has no objection to the grant of sanction to the said Scheme and since nobody has filed any objection to the Scheme, I do not find any legal impediment to the grant of sanction to the Scheme of Amalgamation, Arrangement and Reconstruction. In my view, the prayer made in the petition deserves to be allowed in the interest of justice.

In the above circumstances, sanction under Section 391(2) of the Companies Act is granted to the proposed Scheme of Amalgamation, Arrangement and Reconstruction.

In view of the above, the Order dated 17th of January, 2002 stands modified.

A copy of this Order be given Dasti to the learned counsel for the petitioner.

22nd January, 2002

Sd/-
Mukul Mudgal J.

Orders

17.1.2002

Present: Mr.Rajiv Nayar, Senior Advocate with S/Sh.Sanjay Khaitan, Ashish Dholakia & Abhimanyu Mahajan for the petitioners.
Mr.Saud Ahmed, Asst.Registrar for Regional Director, Department of Company Affairs, Kanpur.

CP No.339/01

This petition is filed under Sections 391(2) and 394 of the Companies Act praying for grant of sanction to a Scheme of Amalgamation between M/s SRF Ltd.; M/s SRF Chemicals Ltd.; M/s Tyrecord Fabric Limited (Transferor Companies) and their respective shareholders (Transferees). The petitioners herein are SRF Ltd., and SRF Chemicals Ltd.

The registered offices of the petitioner companies are situated at Express Building, 9-10 Bahadur Shah Zafar Marg, New Delhi 110 002, within the territorial jurisdiction of this Court.

A copy of the Scheme of Amalgamation,Arrangement and Reconstuction (Annexure A at pages 27-100 to the petition) has been placed on record. The salient features of the Scheme and the circumstances which necessitated the amalgamation of the companies have been explained in the petition.

The Boards of Directors of the petitioner companies have passed the separate Resolutions, approving the Scheme of Amalgamation, the true copies of which have been placed on record. The petitioner companies had filed C.A.Nos.1236-37/2001, praying for directions regarding dispensing with the requirement of convening and holding the meeting of the shareholders/creditors of SRF Chemicals Ltd. and also prays for convening and holding of the meetings of the shareholders/creditors of SRF Ltd., for the purpose of considering and approving the Scheme of Amalgamation. By Order dated 13th August, 2001, passed in the said applications, directions were issued by this Court to dispense with the requirement of convening and holding the meeting of the shareholders/creditors of SRF Chemicals Ltd. for the purpose of considering and approving the scheme and further directed the convening and holding the meeting of the shareholders/unsecured creditors of SRF Ltd. for the purpose of considering and approving the scheme. Chairperson & Alternate Chairperson were appointed by the Court to conduct the said meeting. The Chairperson appointed by the Court has filed Report, stating that the meetings of the shareholders/creditors have unanimously approved the Scheme of Amalgamation. It is stated in the petition that no proceedings under Sections 235 to 251 of the Companies Act are pending against the petitioner company.

Notice of this petition was issued to the Regional Director, Northern Region, Department of Company Affairs, Kanpur. The Regional Director has filed its Report dated 7th of January, 2002, stating that it has no objection to the grant of sanction to the proposed Scheme of Amalgamation, Arrangement and Reconstruction except a submission made in Para 9 which read as follows:

"That the Deponent craves leave to refer that as per sub-para 5.3 of the Scheme wherein it is stated that upon sanction of this Scheme and with effect from the Effective Date, the Memorandum of Association of SRFC shall stand altered and amended by substitution of the following new clause I in place and stead of the existing clause I:

"The name of the Company is SRF Polymers Limited". The Deponent, therefore, submits that the petitioner company namely SRF Chemicals Ltd. be directed to get its name changed under section 21 of the Companies act, 1956."

Mr.Nayar, the learned Senior Counsel, appearing for the petitioners has drawn attention of this Court to Para 5.3 of the Scheme which reads as under:

"Upon sanction of this Scheme and with effect from the Effective Date, the Memorandum of Association of SRFC shall stand altered and amended by substitution of the following new clause I in place and stead of the existing Clause I:

"The name of the Company is SRF Polymers Limited".

The said Scheme postulates that upon the sanction of the Scheme and with effect from the effective date, the name of the Company will become "SRF Polymers Limited" and this would meet the sole objection, raised on behalf of the Regional Director, Department of Company Affairs of the change of the name of the Company to SRF Polymers Limited.

Notice of the petition was also advertised in 'Indian Express' (English) and 'Jansatta' (Hindi). However, nobody has filed any objection to the grant of sanction to the said Scheme.

Having regard to the averments in the petition and the materials placed on record, I am satisfied that the petitioner companies have disclosed to this Court all material facts relating to the companies as required sunder section 391 of the Companies Act. Since the shareholders and the creditors of the companies have approved the said Scheme and since the Central Government has no objection to the grant of sanction to the said Scheme and since nobody has filed any objection to the scheme, I do not find any legal impediment to the grant of sanction to the Scheme of Amalgamation, Arrangement and

Reconstruction. In my view, the prayer made in the petition deserves to be allowed in the interest of justice.

In the above circumstances, sanction under Section 391(2) of the Companies Act is granted to the proposed Scheme of Amalgamation, Arrangement and Reconstruction. Consequent on the Amalgamation, Arrangement and Reconstruction the transferor companies shall stand dissolved without the process of winding up.

The petition stands disposed of in the above terms.

Dasti to the parties.

17th January, 2002

Sd/-
Mukul Mudgal J.

IN THE HIGH COURT OF DELHI AT NEW DELHI
(ORIGINAL JURISDICTION)
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN
COMPANY PETITION NO.467/2010
CONNECTED WITH
COMPANY APPLICATION (M) NO.155/2010

IN THE MATTER OF M/s Narmada Farms Pvt. Ltd.
having its Regd. Office at
2, Silver Oak Avenue, Westend Green
Farms, Rajokari, New Delhi-110038
...Petitioner/Transferor Company No.1

IN THE MATTER OF M/s Bhairav Farms Pvt. Ltd.
having its Regd. Office at
1, Silver Oak Avenue, Westend Green
Farms, Rajokari, New Delhi-110038
...Petitioner/Transferor Company No.2

IN THE MATTER OF M/s SRF Polymers Investments Ltd.
having its Regd. Office at
C-8, Commercial Complex, Safdarjung
Development Area, New Delhi-110016
...Petitioner/Transferor Company No.3

AND

IN THE MATTER OF M/s Srishti Westend Greens Farms Pvt. Ltd.
having its Regd. Office at
2, Silver Oak Avenue, Westend Green
Farms, Rajokari, New Delhi-110038
...Petitioner/Transferee Company No.1

IN THE MATTER OF M/s Karm Farms Pvt. Ltd.
having its Regd. Office at
1, Silver Oak Avenue, Westend Green
Farms, Rajokari, New Delhi-110038
...Petitioner/Transferee Company No.2

IN THE MATTER OF M/s KAMA Realty (Delhi) Ltd.
having its Regd. Office at
C-8, Commercial Complex, Safdarjung
Development Area, New Delhi-110016
...Petitioner/Transferee Company No.3

IN THE MATTER OF M/s KAMA Holdings Ltd.
having its Regd. Office at
C-8, Commercial Complex, Safdarjung
Development Area, New Delhi-110016

...Petitioner/Transferee Company No.4

BEFORE HON'BLE MR.JUSTICE MANMOHAN
DATED THIS 24th DAY OF FEBRUARY, 2011

ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956

The above petition came up for hearing on 24/02/2011 for sanction of Scheme of Arrangement proposed to be made between M/s Narmada Farms Pvt. Ltd. (hereinafter referred to as Transferor Company No.1); M/s Bhairav Farms Pvt. Ltd. (hereinafter referred to as Transferor Company No.2); M/s SRF Polymers Investments Ltd. (hereinafter referred to as Transferor Company No.3) and M/s Srishti Westend Greens Farms Pvt. Ltd. (hereinafter referred to as Transferee Company No.1); M/s Karm Farms Pvt. Ltd. (hereinafter referred to as Transferee Company No.2); M/s KAMA Realty (Delhi) Ltd. (hereinafter referred to as Transferee Company No.3); M/s KAMA Holdings Ltd. (hereinafter referred to as Transferee Company No.4) comprising of two stages: (A) being in the nature of demerger of the 'Demerged Undertaking' of the Transferor Companies No. 1, 2 & 3 into Transferee Companies Nos. 1, 2 & 3 respectively, and (B) being in the nature of amalgamation of the residual Transferor Companies Nos. 1, 2 & 3 into Transferee Company No.4. The Court examined the petition; the order dated 16/09/2010, passed in CA(M) 155/2010, whereby the requirement of convening and holding the meetings of the Equity Shareholders and Unsecured Creditors of the Transferor Companies Nos.1, 2 & 3 and Transferee Companies Nos.1, 2 & 3 was dispensed with; and the meetings of the Secured Creditors of the Transferor Company No.3 and Equity Shareholders, Secured and Unsecured Creditors of the Transferee Company No.4 were ordered to be convened for the purpose of considering and if thought fit approving with or without modification, the Scheme of Arrangement annexed to the affidavits of Mr. Viney Kumar Dua, Mr.Rajat Lakhanpal and Mr.Kartikeya Bharat Ram, Directors of the Petitioner Companies, dated 16th day of August, 2010; there being no Secured Creditors of the Transferor Companies Nos. 1 & 2 and Transferee Companies Nos. 1, 2 & 3 and the publication in the newspapers namely Statesman (English) and Jansatta (Hindi) both dated 01/10/2010 containing the advertisement of the notice convening the said meetings; and the reports of the Chairpersons/Alternative Chairpersons showing the publication and despatch of the notices convening the said meetings.

The Court also examined the affidavit dated 17/01/2011 of the Regional Director, Northern Region, Ministry of Corporate Affairs wherein the objections taken with regard to the increased authorized share capital of the transferee companies and the change of Memorandum of Articles of Association of a company were dismissed being without any merits. Observations made in the said affidavit by the Regional Director with regard to substitution of name in the charge documents and for advice to transferee company no.4 to comply with the conditions raised by the Bombay Stock Exchange were also resolved upon the undertaking given by the petitioners.

Upon hearing Mr. Akhil Sibal, Advocate, Ms. Malini Sud, Advocate with Mr. Rahul Dua, Ms. Aditi Sharma and Mr. Pradeep Chhindra, Advocates for the Petitioners, Ms. Purnima Sethi, Advocate for the Official Liquidator and Mr. K.S. Pradhan, Dy. Registrar of Companies and in view of the approval of the Scheme of Arrangement without any modification by the Equity Shareholders and Unsecured Creditors of the Transferor Companies Nos.1, 2 & 3 and Transferee Companies Nos.1, 2 & 3 and in view of the affidavit of the Official Liquidator dated 17/02/2011 stating therein that the affairs of the Transferor Companies have not been conducted in a manner prejudicial to the interest of its Members or to public interest, and there being no investigation proceedings pending in relation to the Petitioner Companies under Section 235 to 252 of the Companies Act, 1956.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF ARRANGEMENT set forth in Schedule-I annexed hereto and Doth hereby declare the same to be binding on all the Shareholders & Creditors of the Petitioner Companies and all concerned and doth approve the said Scheme of Arrangement with effect from the appointed date i.e. 01/04/2010.

AND THIS COURT DOTH FURTHER ORDER:

Stage (A):

A-1. That all the property, rights and powers on demerger of the 'Demerged Undertaking' of the Transferor Companies Nos.1, 2 & 3 specified in Schedule-II hereto be transferred without further act or deed to the Transferee Companies Nos.1, 2 & 3 respectively and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and vest in the Transferee Companies Nos. 1, 2 & 3 respectively for all the estate and interest on the demerger of the 'Demerged Undertaking' of the Transferor Companies Nos.1, 2 & 3 respectively therein but subject nevertheless to all charges now affecting the same; and

A-2. That all the liabilities and duties of the 'Demerged Undertaking' of the Transferor Companies Nos.1, 2 & 3 be transferred without further act or deed to the Transferee Companies Nos.1, 2 & 3 respectively and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Companies Nos.1, 2 & 3 respectively; and

A-3. That all the proceedings now pending by or against demerger of the 'Demerged Undertaking' of the Transferor Companies Nos.1, 2 & 3 be continued by or against the Transferee Companies Nos.1, 2 & 3 respectively; and

A-4. That the Transferee Companies Nos.1, 2 & 3 do without further application allot to such members of demerger of the 'Demerged Undertaking' of the Transferor companies Nos.1, 2 & 3 respectively as have not given such notice of dissent as is required by

Clause 20(a), 20(b) & 20(c) of Part IV respectively given in the Scheme of Arrangement herein the shares in the Transferee Companies Nos.1, 2 & 3 respectively to which they are entitled under the said Arrangement; and

A-5. That the Transferor Companies Nos.1, 2 & 3 do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration; and

Stage (B):

B-1. That all the property, rights and powers of the amalgamation of the residual Transferor Companies Nos.1, 2 & 3 specified in Schedule-II hereto be transferred without further act or deed to the Transferee Company No.4 and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company No.4 for all the estate and interest on the amalgamation of the residual Transferor Companies Nos.1, 2 & 3 therein but subject nevertheless to all charges now affecting the same; and

B-2. That all the liabilities and duties on the amalgamation of the residual Transferor Companies Nos.1, 2 & 3 be transferred without further act or deed to the Transferee Company No.4 and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company No.4; and

B-3. That all the proceedings now pending by or against the amalgamation of the residual Transferor Companies Nos.1, 2 & 3 be continued by or against the Transferee Company No.4; and

B-4. That the Transferee Company No.4 do without further application allot to such members on the amalgamation of the residual Transferor Companies Nos.1, 2 & 3 as have not given such notice of dissent as is required by Clause 21(a) & 21(b) of Part IV given in the Scheme of Arrangement herein the shares in the Transferee Company No.4 to which they are entitled under the said Arrangement; and

B-5. That the Transferor Companies Nos.1, 2 & 3 do within 30 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Companies Nos.1, 2 & 3 shall be dissolved without undergoing the process of winding up and the Concerned Registrar of Companies shall place all documents relating to the Transferor Companies Nos.1, 2 & 3 and registered with him on the file kept in relation to the Transferee Company No.4 and the files relating to the said Transferor and Transferee Companies shall be consolidated accordingly; and

6. It is clarified that this order will not be construed as an order granting exemption from payment of stamp duty that is payable in accordance with law; and

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

Schedule - I

**"SCHEME OF ARRANGEMENT"
BY AND BETWEEN**

KAMA HOLDINGS LIMITED AND OTHERS

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

BETWEEN

**NARMADA FARMS PVT. LTD. (hereinafter referred to as 'NFPL')
(1st Transferor Company)**

AND

**BHAIRAV FARMS PVT. LTD. (hereinafter referred to as 'BFPL')
(2nd Transferor Company)**

AND

**SRF POLYMERS INVESTMENTS LTD. (hereinafter referred to as 'SRFPIL')
(3rd Transferor Company)**

AND

**SRISHTI WESTEND GREENS FARMS PVT. LTD. (hereinafter referred to as 'SWGFL')
(1st Transferee Company)**

AND

**KARM FARMS PVT. LTD. (hereinafter referred to as 'KFPL')
(2nd Transferee Company)**

AND

**KAMA REALTY (DELHI) LTD. (hereinafter referred to as 'KRDL')
(3rd Transferee Company)**

AND

**KAMA HOLDINGS LTD. (Earlier Known as SRF POLYMERS LTD.)
(hereinafter referred to as 'KHL')
(4th Transferee Company)**

AND

Their respective shareholders and creditors

PREAMBLE

A. DESCRIPTION OF THE COMPANIES

- (a) **WHEREAS** Narmada Farms Pvt. Ltd. (hereinafter referred to as 'NFPL') is a private limited company registered under the Companies Act, 1956. The company's registered office is situated at 2, Silver Oak Avenue, Westend Green Farms, Rajokari, New Delhi-110038. NFPL is a part of Arun Bharat Ram Group, being a group as defined under the MRTP Act. NFPL is a company that has two divisions the one being real estate division owning immovable properties and the second being the investment division owning shares, inter-alia, of group companies, viz., SRF Limited and KAMA Holdings Limited (formerly known as SRF Polymers Limited). The real estate division (as defined hereinafter) is proposed to be hived off along with all its assets and liabilities i.e., it is proposed to be demerged from NFPL (hereinafter the "NFPL demerged undertaking") and merged with Srishti Westend Greens Farms Pvt. Ltd. The residuary NFPL, i.e. after demerging the NFPL Demerged Undertaking along with all its assets and liabilities (hereinafter referred to as "Residual NFPL") is proposed to be amalgamated with KAMA Holdings Ltd.
- (b) **WHEREAS** Bhairav Farms Pvt. Ltd. (hereinafter referred to as BFPL) is a private limited company registered under the Companies Act, 1956. The company's registered office is situated at 1, Silver Oak Avenue, Westend Green Farms, Rajokari, New Delhi-110038. BFPL is a part of Arun Bharat Ram Group, being a group as defined under the MRTP Act. BFPL is a company that has two divisions the one being real estate division owning immovable properties and the second being the investment division owning shares, inter-alia, of group companies, viz., SRF Limited and KAMA Holdings Limited (formerly known as SRF Polymers Limited). The real estate division (as defined hereinafter) is proposed to be hived off along with all its assets and liabilities i.e. it is proposed to be demerged from BFPL (hereinafter the "BFPL demerged undertaking") and merged with Karm Farms Pvt. Ltd. The residuary BFPL, i.e. after demerging the BFPL Demerged Undertaking along with all its assets and liabilities (hereinafter referred to as "Residual BFPL") is proposed to be amalgamated with KAMA Holdings Ltd.
- (c) **WHEREAS** SRF Polymers Investments Ltd. (hereinafter referred to as SRFPIIL) is a public limited company registered under the Companies Act, 1956. The company's registered office is situated at C-8, Commercial Complex, Safdarjung Development Area, New Delhi-110016. SRFPIIL is a part of Arun Bharat Ram Group, being a group as defined under the MRTP Act. SRFPIIL is a company that has two divisions the one being real estate division owning immovable properties and the second being the investment division owning shares, inter-alia, of group companies, viz., SRF Limited and KAMA Realty (Delhi) Limited. The real estate division (as defined hereinafter) is proposed to be hived off and along with all its assets and liabilities i.e. it is proposed to be demerged from SRFPIIL (hereinafter the "SRFPIIL demerged undertaking") and merged with KAMA Realty (Delhi) Ltd. The residuary SRFPIIL, i.e. after demerging the SRFPIIL Demerged Undertaking along with all its assets and liabilities (hereinafter referred to as "Residual SRFPIIL") is proposed to be amalgamated with KAMA Holdings Ltd.

B. PURPOSE OF THE SCHEME

- (a) For the reasons set out in the forthcoming section 'Rationale for the Scheme of Arrangement', this Scheme of Arrangement provides for the following:
- (i) The demerger of the 'Demerged Undertaking of NFPL' (as defined hereinafter) from NFPL and its merger into Srishti Westend Greens Farms Pvt. Ltd., the 1st Transferee Company.
 - (ii) The demerger of the 'Demerged Undertaking of BFPL' (as defined hereinafter) from BFPL and its merger into Karm Farms Pvt. Ltd., the 2nd Transferee Company.
 - (iii) The demerger of the 'Demerged Undertaking of SRFPIIL' (as defined hereinafter) from SRFPIIL and its merger into KAMA Realty (Delhi) Limited, the 3rd Transferee Company.
 - (iv) The amalgamation of Residual NFPL, Residual BFPL and Residual SRFPIIL (as defined hereinafter) with KAMA Holdings Limited, the 4th Transferee Company.
- (b) With the aforesaid objective, the following companies have been identified to give effect to the terms of this Scheme of Arrangement:
- (i) The Srishti Westend Greens Farms Pvt. Ltd. (hereinafter referred to as SWGFPL) has been incorporated as a private limited company with its main object as follows:
"To acquire by purchase, lease, exchange, hire or otherwise or sell freehold, lease hold or other lands, both agricultural and non agricultural including farm houses, house properties, commercial properties, flats of any tenure or any share or shares, interest or interests therein and to provide for tenants and occupiers thereof all the conveniences within India and outside India and erect, construct, develop, build, re-build, pull down, demolish, enlarge, purchase, own, convert, sell, take or give on lease or license or hire or hire purchase, including sub-lease, sub-license, sub-hire, sub-hire purchase land and building and other properties and realize rents, license fees, charges for hire purchase and sub-letting charges, sub-license fees, sub-hire charges, maintenance charges and other charges."
 - (ii) The Karm Farms Pvt. Ltd. (hereinafter referred to as KFPL) has been incorporated as a private limited company with its main object as follows:
"To acquire by purchase, lease, exchange, hire or otherwise or sell freehold, lease hold or other lands, both agricultural and non agricultural including farm houses, house properties, commercial properties, flats of any tenure or any share or shares, interest or interests therein and to provide for tenants and occupiers thereof all the conveniences within India and outside India and erect, construct, develop, build, re-build, pull down, demolish, enlarge, purchase, own, convert, sell, take or give on lease or license or hire or hire purchase, including sub-lease, sub-license, sub-hire, sub-hire purchase land

- and building and other properties and realize rents, license fees, charges for hire purchase and sub-letting charges, sub-license fees, sub-hire charges, maintenance charges and other charges."
- (iii) The KAMA Realty (Delhi) Limited (hereinafter referred to as KRDL) has been incorporated as a public limited company with its main objects as follows:
1. "To purchase, sell, develop, take in exchange, or on lease hire or otherwise acquire, whether for investment or sale, or working the same, any real or personal estate including lands, mines, business, building, factories, mill, houses, cottages, shops, depots, warehouses, machinery, plant, stock in trade, mineral rights, concessions, privileges, licenses, easement or interest in or with respect to any property or interest in or with respect to any property whatsoever for the purpose of the company in consideration for a gross sum or rent or partly in one way and partly in the other or for any other consideration and to carry on business as proprietors of flats and buildings and to let on lease or otherwise apartments therein and to provide for the conveniences commonly provided in flats, suites and residential and business quarters."
 2. "To purchase or otherwise acquire and sell, dispose off and deal in real or personal property of all kinds and in particular lands, buildings, hereditaments, business concerns and undertakings, mortgages, charges, annuities, patents, licenses, shares, stocks, debentures, debenture stock, securities, concessions, options, produce, policies, book debts and any interest in real or personal property and any claims against such property or against any persons or company."
- (iv) KAMA Holdings Limited (hereinafter referred to as KHL) is a company incorporated under the provisions of Companies Act, 1956 having its registered office in C-8, Commercial Complex, Safdarjung Development Area, New Delhi-110016. KHL was earlier known as SRF Polymers Limited. In the year 2009 the name of the Company was changed to KAMA Holdings Limited (KHL).
- (c) The demerger of the Demerged Undertakings (as defined hereinafter) under this Scheme of Arrangement will be effected under the provisions of Sections 391 to 394 of the Companies Act, 1956. The demerger complies with the provisions of Section 2(19AA) of the Income Tax Act, 1961 such that:
- (i) all the property of the undertaking, being transferred by the demerged company, immediately before the demerger, becomes the property of the Transferee Company by virtue of the demerger;
 - (ii) all the liabilities relating to the undertaking, being transferred by the demerged company, immediately before the demerger, become the liabilities of the Transferee Company by virtue of the demerger;
 - (iii) the property and the liabilities of the undertaking or undertakings being transferred by the demerged company are transferred at values appearing in its books of accounts immediately before the demerger;
 - (iv) the Transferee Company issues, in consideration of the demerger, its shares to the shareholders of the demerged company on a proportionate basis;
 - (v) the shareholders of the demerged company holding not less than three-fourths in value of shares in the demerged company (other than shares already held therein immediately before the demerger, or by a nominee for, the Transferee Company or, its subsidiary) become shareholders of the Transferee Company or companies by virtue of the demerger, otherwise than as a result of the acquisition of the property or assets of the demerged company or any undertaking thereof by the Transferee Company;
 - (vi) the transfer of the undertaking is on a going concern basis.
- (d) The amalgamation of the Residual NFPL, Residual BFPL and Residual SRFPL (as defined hereinafter) with KHL as envisaged in the Scheme of Arrangement shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961 such that:
- (i) All the property/assets of the Residual Undertakings as on the Appointed Date becomes the property of amalgamated company by virtue of amalgamation;
 - (ii) All the liabilities of the Residual Undertakings immediately before the amalgamation becomes the liabilities of the amalgamated company by virtue of amalgamation;
 - (iii) Shareholders of NFPL, BFPL, SRFPL (other than shares held therein immediately before the amalgamation by, or by a nominee for, the Transferee Company or its subsidiary) holding not less than three-fourth of the value of the shares in the amalgamating company becomes shareholders of the Transferee Company by virtue of the amalgamation.

C. RATIONALE FOR THE SCHEME OF ARRANGEMENT

- (a) Through this Scheme of Arrangement, it is intended that the following benefits will accrue:
- (i) The nature of the risk and competition involved in each of the businesses is distinct from others and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these business are required to be managed. In order to enable distinct focus of the investors to invest in some of the key undertakings and to lend greater focus to the operation of each of its demerged undertaking, the Demerged or the Transferor Companies proposes to demerge their demerged undertakings to the Transferee Company;
 - (ii) Further, each of these undertakings have tremendous growth and profitability potential and are at a stage where they require focused leadership and management attention. Hence, this reorganization and segregation of the businesses, as envisaged in the preamble above, is indispensable to provide focused management attention and leadership required by the businesses which are to be segregated and demerged;
 - (iii) Also it is believed that the proposed segregation will create enhanced value for shareholders and allow a

focused strategy in operations, which would be in best interest of the companies, its shareholders, creditors, and all the person connected with the companies. The reorganization proposed by the scheme will enable investors to separately hold investment in businesses with different investment characteristics, thereby enabling them to select investments which best suit their investment strategies and risk profiles;

- (iv) Further, the amalgamation of the residual undertakings with the 4th Transferee Company will enable pooling of resources of the companies to their common advantage, resulting in more productive utilization of the said resources, cost & operational efficiencies which would be beneficial for all stakeholders;
- (v) Also, this will result in greater economies of scale, tax efficiency and other expenses; and
- (vi) the amalgamation will achieve business synergies and the businesses can be carried on more economically and efficiently.
- (b) **AND-WHEREAS** it is the expectation of the Board of Directors of the abovementioned companies that the proposed Scheme of Arrangement would result in generation of greater business opportunities, higher profits and surpluses and would therefore be in the best interests of the shareholders, creditors and employees of all the companies and would also be in the larger public interest.
- (c) To achieve the aforesaid objectives, the Scheme Of Arrangement, as explained above, has been approved by the

Boards of Directors of all the abovementioned companies and it has been decided to make the requisite application before the Hon'ble High Court under sections 391 to 394 of the Companies Act, 1956, for the sanction of the following Scheme of Arrangement given hereunder:

D. PARTS OF THE SCHEME

This Scheme of Arrangement is divided into following parts:

- (a) **PART I** which deals with the definition and share capital of Transferor Companies, and Transferee Companies as well as that of the 4th Transferee Company.
- (b) **PART II** which deals with demerger of each Demerged Undertaking to respective Transferee Company.
- (c) **PART III** which deals with Amalgamation of Residual Undertakings of the transferor Companies with the 4th Transferee Company.
- (d) **PART IV** which deals with Reorganization of Capital of Transferor Companies, Transferee Companies, and 4th Transferee Company.
- (e) **PART V** which deals with Accounting Treatment for Arrangement in the books of each of Transferor Companies, Transferee Companies, and 4th Transferee Company.
- (f) **PART VI** which deals with General Terms and Conditions applicable to this Scheme of Arrangement.
- (g) **PART VII** which deals with Other Terms and Conditions applicable to this Scheme of Arrangement.

PART - I OF THE SCHEME

1. DEFINITIONS

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

- 1.1. "Scheme" or "Scheme of Arrangement" means this composite Scheme of Arrangement including any modification or amendment hereto as made by the Parties to the Scheme or as required by any regulatory authority or by the Hon'ble Court.
- 1.2. "Act" means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force.
- 1.3. "Appointed Date" means, for the purpose of this arrangement, April 1st 2010 or such other date as the Hon'ble High Court may direct or approve.
- 1.4. "1st Transferee Company" means Srishti Westend Greens Farms Pvt. Ltd. (hereinafter referred to as SWGFPL) having its registered office at 2, Silver Oak Avenue, Westend Green Farms, Rajokari, New Delhi-110038.
- 1.5. "2nd Transferee Company" means Kam Farms Pvt. Ltd. (hereinafter referred to as KFPL) having its registered office at 1, Silver Oak Avenue, Westend Green Farms, Rajokari, New Delhi-110038.
- 1.6. "3rd Transferee Company" means KAMA Realty (Delhi) Limited (hereinafter referred to as KRDL) having its registered office at C-8, Commercial Complex, Safdarjung Development Area, New Delhi-110016.

- 1.7. "1st Transferor Company" means Narmada Farms Pvt. Ltd. (hereinafter referred to as NFPL) having its registered office at 2, Silver Oak Avenue, Westend Green Farms, Rajokari, New Delhi-110038.
- 1.8. "2nd Transferor Company" means Bhalrav Farms Pvt. Ltd. (hereinafter referred to as BFPL) having its registered office at 1, Silver Oak Avenue, Westend Green Farms, Rajokari, New Delhi-110038.
- 1.9. "3rd Transferor Company" means SRF Polymers Investments Limited (hereinafter referred to as SRFPL) having its registered office at C-8, Commercial Complex, Safdarjung Development Area, New Delhi-110016.
- 1.10. "4th Transferee Company" means KAMA Holdings Limited, earlier known as SRF Polymers Limited, (hereinafter referred to as KHL), having its registered office at C-8, Commercial Complex, Safdarjung Development Area, New Delhi-110016.
- 1.11. "Demerged Undertaking of NFPL" (as mentioned in sub-clause (a) of Clause A of the Preamble) means the real estate Division of NFPL comprising of and including the following:-
 - (a) All properties and assets, movable and immovable, tangible and intangible, real and personal, corporeal and incorporeal, in possession or in reversion, present and future, contingent or of whatsoever nature, where-so-ever situated, as on the Appointed Date along with

land and buildings, plant and machinery, capital work in progress, vehicles, equipments, furniture and fittings, sundry debtors, investments, inventories, cash and bank balances, bills of exchange, deposits, loans and advances etc. relating to the real estate division (details given in Annexure A).

- (b) All ownership rights and all other rights, obligations and interest of the NFPL, pertaining to the Real Estate Division being demerged and all other interests or rights in or arising out of or relating to such properties together with all rights, powers, interests, charges, privileges, benefits, entitlements and other licenses (and/or conditions attached thereto), liberties, easements, advantages pertaining to the Real Estate Division, equipment, electricity and other such connections, rights and benefits of all agreements and allotments held by or applied for by the NFPL after the appointed date and pertaining to the demerging Real Estate Division and/or to which the NFPL is entitled to in respect of the said Division of whatsoever kind, nature or description held, applied for or may be obtained thereafter or to which the NFPL is entitled to in respect of the said Division together with the benefit of all contracts, engagements, all books, papers, documents, records, and all rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect taxes in respect of the Demerged Real estate Division.
- (c) All debts, liabilities, loans including related guarantees and obligations, provisions, deposits present and future, contingent or of whatsoever nature, relating to the Demerged Real estate Division of the NFPL.

All the above together may be referred to as **"Demerged Undertaking of NFPL"**.

1.12. **"Demerged Undertaking of BFPL"** (as mentioned in sub-clause (b) of Clause A of the Preamble) means the real estate Division of BFPL comprising of and including the following:-

- (a) All properties and assets, movable and immovable, tangible and intangible, real and personal, corporeal and incorporeal, in possession or in reversion, present and future, contingent or of whatsoever nature, where-so-ever situated, as on the Appointed Date along with land and buildings, plant and machinery, capital work in progress, vehicles, equipments, furniture and fittings, sundry debtors, investments, inventories, cash and bank balances, bills of exchange, deposits, loans and advances etc. relating to the real estate division (details given in Annexure B).
- (b) All ownership rights and all other rights, obligations and interest of the BFPL, pertaining to the Real Estate Division being demerged and all other interests or rights in or arising out of or relating to such properties together with all rights, powers, interests, charges, privileges, benefits, entitlements and other licenses (and/or conditions attached thereto), liberties, easements, advantages pertaining to the Real Estate Division, equipment, electricity and other such connections, rights and benefits of all agreements and allotments held by or applied for by the BFPL after the appointed date and pertaining to the demerging Real Estate Division and/or to which the BFPL is entitled to in respect of the said Division of whatsoever kind, nature or description held, applied for or may be

obtained thereafter or to which the BFPL is entitled to in respect of the said Division together with the benefit of all contracts, engagements, all books, papers, documents, records, and all rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect taxes in respect of the Demerged Real estate Division.

- (c) All debts, liabilities, loans including related guarantees and obligations, provisions, deposits present and future, contingent or of whatsoever nature, relating to the Demerged Real estate Division of the BFPL.

All the above together may be referred to as **"Demerged Undertaking of BFPL"**.

1.13. **"Demerged Undertaking of SRFPL"** (as mentioned in sub-clause (c) of Clause A of the Preamble) means the real estate Division of SRFPL comprising of and including the following:

- (a) All properties and assets, movable and immovable, tangible and intangible, real and personal, corporeal and incorporeal, in possession or in reversion, present and future, contingent or of whatsoever nature, where-so-ever situated, as on the Appointed Date along with land and buildings, plant and machinery, capital work in progress, vehicles, equipments, furniture and fittings, sundry debtors, investments, inventories, cash and bank balances, bills of exchange, deposits, loans and advances etc. relating to the real estate division (details given in Annexure C).
- (b) All ownership rights and all other rights, obligations and interest of the SRFPL, pertaining to the Real Estate Division being demerged and all other interests or rights in or arising out of or relating to such properties together with all rights, powers, interests, charges, privileges, benefits, entitlements and other licenses (and/or conditions attached thereto), liberties, easements, advantages pertaining to the Real Estate Division, equipment, electricity and other such connections, rights and benefits of all agreements and allotments held by or applied for by the SRFPL after the appointed date and pertaining to the demerging Real Estate Division and/or to which the SRFPL is entitled to in respect of the said Division of whatsoever kind, nature or description held, applied for or may be obtained thereafter or to which the SRFPL is entitled to in respect of the said Division together with the benefit of all contracts, engagements, all books, papers, documents, records, and all rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect taxes in respect of the Demerged Real estate Division.
- (c) All debts, liabilities, loans including related guarantees and obligations, provisions, deposits present and future, contingent or of whatsoever nature, relating to the Demerged Real estate Division of the SRFPL.

All the above together may be referred to as **"Demerged Undertaking of SRFPL"**.

1.14. **"Demerged Undertakings"** means collectively, the Demerged undertaking of NFPL, Demerged undertaking of BFPL, and the Demerged undertaking of SRFPL and the term **"Demerged Undertaking"** means any of the demerged undertakings, as the context may require.

1.15. "Transferor Companies", for the purpose of demerger (more specifically for the purpose of Part II), means collectively, the 1st Transferor company, 2nd Transferor company and the 3rd Transferor company and the term "Transferor company" means any of the Transferor companies, which own the Demerging Undertakings as the context may require.

1.16. "Transferee Companies" means collectively, the 1st Transferee Company, 2nd Transferee Company, 3rd Transferee Company and the term "Transferee Company" means any of the Transferee companies, as the context may require.

1.17. "Record Date" means the date as may be fixed by the respective Boards of Transferor Companies, the Transferee Companies & 4th Transferee Company for the purpose of issue of Equity/Preference Shares to the Equity Shareholders of Transferor Companies except in the case of 4th Transferee Company as the Transferor Company No. 3 is the wholly owned Subsidiary of the 4th Transferee Company.

1.18. "Residual NFPL" means, all the undertakings, businesses, activities and operations of the 1st Transferor Company other than those comprised in the Demerged Undertaking of NFPL (details given in Annexure D).

1.19. "Residual BFPL" means, all the undertakings, businesses, activities and operations of the 2nd Transferor Company other than those comprised in the Demerged Undertaking of BFPL (details given in Annexure E).

1.20. "Residual SRFPL" means, all the undertakings, businesses, activities and operations of the 3rd Transferor Company other than those comprised in the Demerged Undertaking of SRFPL (details given in Annexure F).

1.21. "Residual Undertakings", for the purpose of amalgamation, (more specifically for the purpose of Part III) means collectively, the Residual NFPL, Residual BFPL, and the Residual SRFPL and the term "Residual Undertakings" means any or all of the residual undertakings, as the context may require.

1.22. "Court" or "High Court" means the Hon'ble High Court of Delhi at New Delhi, and shall include National Company Tribunal, if applicable.

1.23. "Effective Date" means the last of the dates on which the condition and matters referred to in Clause 30 of this Scheme occur or have been fulfilled or Waived and the order of the High Court sanctioning the Scheme of Arrangement is filed with the Registrar of the Companies by the each of Demerged Companies, Transferee Companies and the 4th Transferee Company. Reference in this Scheme to date of "Coming into effect of this Scheme" or "Effectiveness of this Scheme" shall mean the Effective Date.

2. SHARE CAPITAL

2.1. Transferor Companies:

(a) The Share Capital of 1st Transferor Company (NFPL) as on 31st March 2010 is as under:

Amount (in Rupees)

AUTHORISED Comprising of 1,000 equity shares of Rs 100/- each	100,000
ISSUED, SUBSCRIBED AND PAID-UP Comprising of 1,000 equity shares of Rs 100/- each	100,000

The Equity Shares of the 1st Transferor Company are, at present, not listed on any Stock Exchange.

(b) The Share Capital of 2nd Transferor Company (BFPL) as on 31st March 2010 is as under:

Amount (in Rupees)

AUTHORISED Comprising of 1,000 equity shares of Rs 100/- each	100,000
ISSUED, SUBSCRIBED AND PAID-UP Comprising of 1,000 equity shares of Rs 100/- each	100,000

The Equity Shares of the 2nd Transferor Company are, at present, not listed on any Stock Exchange.

(c) The Share Capital of 3rd Transferor Company (SRFPL) as on 31st March 2010 is as under:

Amount (in Rupees)

AUTHORISED Comprising of 42,99,820 'A' Equity Shares of Rs 100/- each	429,982,000
Comprising of 30 'B' Equity Shares of Rs 100/- each	3,000
Comprising of 50, 6% Redeemable Preference Shares of Rs 100/- each	5,000
Comprising of 100, 4% Redeemable Preference Shares of Rs 100/- each	10,000
ISSUED, SUBSCRIBED AND PAID-UP Comprising of 42,05,002 'A' Equity Shares of Rs 100/- each	420,500,200

The Equity Shares of the 3rd Transferor Company are, at present, not listed on any Stock Exchange.

2.2. Transferee Companies

The Share Capital of 4th Transferee Company (KHL) as on 31st March 2010 is as under:

Amount (in Rupees)

AUTHORISED Comprising of 10,000,000 Equity Shares of Rs 10/- each	100,000,000
Comprising of 5,000,000 Preference Shares of Rs. 10/- each	50,000,000
ISSUED, SUBSCRIBED AND PAID-UP Comprising of 6,452,615 Equity Shares of Rs 10/- each	64,526,150

The Equity Shares of the 4th Transferee Company are listed on the Bombay Stock Exchange.

2.3. Transferee Companies

(a) The Share Capital of 1st Transferee Company (SWGFL)* as on 01st April 2010 is as under:

Amount (in Rupees)

AUTHORISED Comprising of 10,000 equity shares of Rs 10/- each	100,000
ISSUED**, SUBSCRIBED AND PAID-UP** Comprising of 10,000 equity shares of Rs 10/- each	100,000

*Incorporated on 01st April 2010.

**Issued and Paid-up on 21st April 2010.

The Equity Shares of the 1st Transferee Company are, at present, not listed on any Stock Exchange.

(b) The Share Capital of 2nd Transferee Company (KFPL)* as on 01st April 2010 is as under:

Amount (in Rupees)	
AUTHORISED Comprising of 10,000 equity shares of Rs 10/- each	100,000
ISSUED**, SUBSCRIBED AND PAID-UP** Comprising of 10,000 equity shares of Rs 10/- each	100,000

*Incorporated on 01st April 2010.

**Issued and Paid-up on 21st April 2010.

The Equity Shares of the 2nd Transferee Company are, at present, not listed on any Stock Exchange.

(c) The Share Capital of 3rd Transferee Company (KRDL) as on 31st March 2010 is as under:

Amount (in Rupees)	
AUTHORISED Comprising of 2,000,000 equity shares of Rs 10/- each	20,000,000
ISSUED, SUBSCRIBED AND PAID-UP Comprising of 50,000 equity shares of Rs 10/- each	500,000

The Equity Shares of the 3rd Transferee Company are, at present, not listed on any Stock Exchange.

3. DATE WHEN THE SCHEME COMES INTO OPERATION

Though this scheme shall become effective from the Effective Date, the provisions of this scheme shall be applicable and come into operation from the Appointed Date.

PART-II OF THE SCHEME DEMURGED UNDERTAKINGS

4. Transfer of Demerged Undertakings

4.1. Transfer of Assets

(a) Upon coming into effect of this scheme and with effect from the Appointed Date, each of the Demerged Undertakings (including all the estate, assets, rights, claims, titles, interest and authorities including the accretions and appurtenances of the Demerged Undertakings) shall, pursuant to the provisions of Sections 391 to 394 of the ACT, without any further act, deed, matter or thing be deemed to have been transferred to and vested in the relevant Transferee Company as mentioned in clause B (a) to the Preamble given above on a 'going concern' basis, in the following manner:

- All properties and assets, movable and immovable, tangible and intangible, real and personal, corporeal and incorporeal, in possession or in reversion, present and future, contingent or of whatsoever nature, where-so-ever situated, as on the Appointed Date along with land and buildings, plant and machinery, capital work in progress, vehicles, equipments, furniture and fittings, sundry debtors, investments, inventories, cash and bank balances, bills of exchange, deposits, loans and advances etc. relating to the real estate division (details given in Annexure A).
- All ownership rights and all other rights, obligations and interest of the NFPL, pertaining to the Real Estate Division being demerged and all other interests or rights in or arising out of or relating to such properties together with all rights, powers, interests, charges, privileges, benefits, entitlements and other licenses (and/or conditions attached thereto), liberties, easements, advantages pertaining to the Real Estate Division, equipment, electricity and other such connections, rights and benefits of all agreements and allotments held by or

applied for by the NFPL after the appointed date and pertaining to the demerging Real Estate Division and/or to which the NFPL is entitled to in respect of the said Division of whatsoever kind, nature or description held, applied for or may be obtained thereafter or to which the NFPL is entitled to in respect of the said Division together with the benefit of all contracts, engagements, all books, papers, documents, records, and all rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect taxes in respect of the Demerged Real estate Division.

- All debts, liabilities, loans including related guarantees and obligations, provisions, deposits present and future, contingent or of whatsoever nature, relating to the Demerged Real estate Division of the NFPL.
- All properties and assets, movable and immovable, tangible and intangible, real and personal, corporeal and incorporeal, in possession or in reversion, present and future, contingent or of whatsoever nature, where-so-ever situated, as on the Appointed Date along with land and buildings, plant and machinery, capital work in progress, vehicles, equipments, furniture and fittings, sundry debtors, investments, inventories, cash and bank balances, bills of exchange, deposits, loans and advances etc. relating to the real estate division (details given in Annexure B).
- All ownership rights and all other rights, obligations and interest of the BFPL, pertaining to the Real Estate Division being demerged and all other interests or rights in or arising out of or relating to such properties together with all rights, powers, interests, charges, privileges, benefits, entitlements and other licenses (and/or conditions

attached thereto), liberties, easements, advantages pertaining to the Real Estate Division, equipment, electricity and other such connections, rights and benefits of all agreements and allotments held by or applied for by the BFPL after the appointed date and pertaining to the demerging Real Estate Division and/or to which the BFPL is entitled to in respect of the said Division of whatsoever kind, nature or description held, applied for or may be obtained thereafter or to which the BFPL is entitled to in respect of the said Division together with the benefit of all contracts, engagements, all books, papers, documents, records, and all rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect taxes in respect of the Demerging Real estate Division.

- (vi) All debts, liabilities, loans including related guarantees and obligations, provisions, deposits present and future, contingent or of whatsoever nature, relating to the Demerging Real estate Division of the BFPL.
- (vii) All properties and assets, movable and immovable, tangible and intangible, real and personal, corporeal and incorporeal, in possession or in reversion, present and future, contingent or of whatsoever nature, where-so-ever situated, as on the Appointed Date along with land and buildings, plant and machinery, capital work in progress, vehicles, equipments, furniture and fittings, sundry debtors, investments, inventories, cash and bank balances, bills of exchange, deposits, loans and advances etc. relating to the real estate division (details given in Annexure C).
- (viii) All ownership rights and all other rights, obligations and interest of the SRFPL, pertaining to the Real Estate Division being demerged and all other interests or rights in or arising out of or relating to such properties together with all rights, powers, interests, charges, privileges, benefits, entitlements and other licenses (and/or conditions attached thereto), liberties, easements, advantages pertaining to the Real Estate Division, equipment, electricity and other such connections, rights and benefits of all agreements and allotments held by or applied for by the SRFPL after the appointed date and pertaining to the demerging Real Estate Division and/or to which the SRFPL is entitled to in respect of the said Division of whatsoever kind, nature or description held, applied for or may be obtained thereafter or to which the SRFPL is entitled to in respect of the said Division together with the benefit of all contracts, engagements, all books, papers, documents, records, and all rights, obligations, benefits available under any rules, regulations, statutes including direct and indirect taxes in respect of the Demerging Real estate Division.
- (ix) All debts, liabilities, loans including related guarantees and obligations, provisions, deposits present and future, contingent or of whatsoever nature, relating to the Demerging Real estate Division of the SRFPL.

(b) All assets or investments, rights, title, or interest acquired by the Demerged Undertaking after the Appointed Date but prior to the Effective Date in relation to the said Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the relevant Transferee Company upon the coming into effect of this scheme pursuant to the provisions of Section 391 to 394 of the Act, provided however that no onerous assets shall have been acquired in relation to any Demerged Undertaking after the Appointed Date without the prior written consent of the relevant Transferee Companies.

(c) It is expressly clarified that the movable assets pertaining to its Demerged Undertakings as appearing in the audited balance sheet as on the closure of business on the date immediately preceding the Appointed Date capable of transfer by physical delivery or endorsement shall be so transferred and/or delivered to the relevant Transferee Company to the end and intent that the movable assets shall become the property of the relevant Transferee Company on the Appointed Date.

4.2. Contracts, deeds, etc.

(a) Upon coming into effect of this scheme and subject to the provisions of this scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, and other instruments of whatsoever nature in relation to the Demerged Undertakings or to the benefit of which the Demerged Undertakings may be eligible and which are subsisting or have effect immediately before the Effective date, shall continue in full force and effect on or against or in favour of, as the case may be, the relevant Transferee Company in which the respective Demerged Undertakings vests by way of the demerger hereunder and may be enforced as fully and effectually as if, instead of the Demerged Undertakings, such Transferee Company had been a party or beneficiary or obligee thereto or thereunder.

(b) Without prejudice to other provisions of the scheme and notwithstanding the fact of vesting of the Demerged Undertakings by virtue of the scheme itself in each of the relevant Transferee Companies, the relevant Transferor Company may, at any time after the coming into effect of the Scheme in accordance with the provisions hereof, if so, required under any law or otherwise, take such action and execute such deed (including deeds of adherence), confirmation or other writings or tripartite agreements with any party to any contract or arrangement to which the relevant Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of the Scheme. Each of the Transferee Companies shall, under the provisions of Part II of this scheme, be deemed to be authorized to execute any such writing on behalf of the Demerged Undertaking/Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of the Demerged Undertaking to be carried out or performed.

(c) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power

of attorney given by, issued to or executed in relation to each of Demerged Undertakings shall stand transferred to the relevant Transferee Company in which the respective Demerged Undertaking shall vest by way of the Scheme hereunder, as if the same were originally given by, issued to or executed in favour of such Transferee Company, and such obligations and duties thereunder, and the rights and benefits under the same shall be available to such Transferee Company. The Transferee Companies shall make applications to and obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

- (d) It is clarified that if any assets (estate, claims, rights, title, interest, in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to any of the Demerged Undertakings of the Transferor Companies which the said undertaking/Transferor Company owns or to which the said undertaking/Transferor Company is a party and for which any documents remain to be executed to perfect the transfer to the relevant Transferee Company for any reason whatsoever, the Demerged Undertaking/Transferor Company shall hold such asset or contract, deeds, bonds, agreements, scheme, arrangements or other instruments of whatsoever in nature in trust for the benefit of the relevant Transferee Company to which the respective Demerged Undertaking is being transferred in terms of this scheme, insofar as it is permissible so to do, till such time transfer is perfected.

4.3. Transfer of Liabilities

4.3.1

- (a) Upon the coming into effect of this Scheme, all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties or obligations of any kind, nature or description (including contingent liabilities) of the Demerged Undertakings (as on the Appointed Date) specified in Schedule A, Schedule B and Schedule C shall, without any further act or deed, be demerged from the Transferor Company and be stand transferred to and be deemed to be transferred to the relevant Transferee Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Undertaking, and shall become the debts, liabilities, duties and obligations of the relevant Transferee Company which shall meet, discharge and satisfy the same.
- (b) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Demerged Undertaking as on the Appointed Date are deemed to have been transferred to any of the Transferee Companies have been discharged by the Demerged Undertaking after the Appointed Date and prior to the effective date, such discharge shall be deemed to have been for and on account of the relevant Transferee Company.
- (c) All loans raised and used and all liabilities and obligations incurred by the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have

been raised, used or incurred for and on behalf of the relevant Transferee Company in which the respective Demerged Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed, stand transferred to and be deemed to stand transferred to the relevant Transferee Company w.e.f. the Appointed Date and shall become the debts, liabilities, duties and obligations of the said Transferee Company which shall meet discharge and satisfy the same. Provided however that no debts, liabilities, loans raised and used, liabilities and obligations incurred, dues and obligations shall have been assumed by the Demerged Undertaking after the Appointed Date without the prior written consent of the relevant Transferee Company.

4.3.2

- (a) The demerger and the transfer and vesting of the assets comprised in the Demerged Undertakings to and in each of the relevant Transferee Companies under clause 4.1 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.
- (b) The existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances") or those, if any created by the Demerged Undertaking after the Appointed Date, in terms of this Scheme, over the assets comprised in the said Undertakings or any part thereof transferred to the respective Transferee Companies by virtue of this scheme, shall after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective date and as are transferred to the relevant Transferee Company and such Encumbrances shall not relate or attach to any of the other assets of that Transferee Company or the assets forming part of any other Demerged Undertaking transferred to the other Transferee Companies or to the Residual Companies.
- (c) In so far as any encumbrances over the assets comprised in the Demerged Undertakings are security for liabilities of any of the Residual Undertaking retained with the Transferor Company, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the liabilities of respective Residual Undertakings and the encumbrances shall only extend to and continue to operate against the assets of the respective Residual Undertakings and shall cease to operate against any of the assets transferred to the Transferee Companies in terms of this Scheme. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- (d) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Demerged Undertaking and each of the Transferee Companies shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

- (e) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Companies shall be liable to perform all obligations in respect of the liabilities, which have been transferred to them along with the Demerged Undertaking, in terms of the Scheme, and the Transferor Company shall not have any obligations in respect of such liabilities, and each of the Transferee Companies shall indemnify the Transferor Company in relation to any claim, at any time, against the Transferor Company in respect of the liabilities which have been transferred to the Transferee Companies.
- (f) It is expressly provided that, save as mentioned in this clause 4.3.2, no other terms or conditions of the liabilities transferred to the Transferee Companies is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (g) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause 4.3.2 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

5. Transfer at Book Values

All the assets, properties and liabilities of the Demerged Undertakings shall be transferred to the Transferee Companies at the values appearing in the books of the Transferor Company (at historical cost less depreciation) on the close of business on 31st March 2010 (as per Annexure A,B,C).

6. Legal Proceedings

- (a) All legal or other proceedings by or against the Transferor Company, whether pending on the Appointed Date or any matter arising before the Appointed Date, and relating to the Demerged Undertakings including those relating to any property, rights, power, liability, obligation or duty of the Transferor Companies in respect of the Demerged Undertakings shall be contested and enforced by or against the relevant Transferee Company. If any proceedings are instituted against the Transferor Company in respect thereof before the Effective Date, the Transferor Companies will defend the same with due notice to the relevant Transferee Company for indemnification from and against all liabilities, obligations, actions, claims and demands in respect thereof. However, after the Effective Date, the parties hereto shall take appropriate steps to substitute the name of the relevant Transferee Company for that of the Transferor Company therein.
- (b) It is clarified that the settlements or compromises in favour of the Transferor Company in respect of all businesses including the Demerged Business/ Demerged Undertaking shall continue to be enforced by the Transferor Company and any monies paid under the said settlements/compromises shall be paid to the relevant Transferee Company.

7. Conduct of Business

- 7.1 The Transferor Company, with effect from the Appointed Date and upto and including the Effective Date:

- (a) shall be deemed to have been carrying on and to be carrying on all business and activities relating to each of the Demerged Undertakings and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of each of the Demerged Undertakings for and on account.
- (b) all profits and income accruing or arising to the Transferor Company from the Demerged Undertakings, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Demerged Undertakings based on the audited accounts of the Transferor Company shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the respective Transferee Companies; and
- (c) any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertakings exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the respective Transferee Companies. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertakings that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the respective Transferee Companies.

- 7.2 With effect from the Appointed Date and until the Effective Date, the respective Transferor Companies undertakes that it will preserve and carry on the business of respective Demerged Undertakings with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber any of the Demerged Undertakings or any part thereof save and except in each case:

- (a) If the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court(s); or
- (b) If the same is expressly permitted by this Scheme; or
- (c) If the prior written consent of the Board of Directors of the relevant Transferee Company has been obtained.

- 7.3 As and from the Appointed Date and till the Effective Date:

- (a) All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on March 31, 2010, whether or not provided in the books of the Transferor Company in respect of any of the Demerged Undertakings as specified in Annexure A,B,C and all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and

obligations relating thereto which arise or accrue to the Transferor Company on or after the Appointed Date in accordance with this Scheme, shall be deemed to be the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the relevant Transferee Company to which that Demerged Undertaking is transferred.

- (b) All assets and properties comprised in any of the Demerged Undertakings as on the date immediately preceding the Appointed Date; whether or not included in the books of the Transferor Company, and all assets and properties relating thereto, which are acquired by the Transferor Company in relation to any of the Demerged Undertakings, on or after the Appointed Date, in accordance with this scheme, shall be deemed to be the assets and properties of the relevant Transferee Company to which that Demerged Undertaking is transferred.

8. Employees

- (a) Upon the coming into effect of this scheme, all employees of the Transferor Company engaged in or in relation to the respective Demerged Undertakings and who are in such employment as on the Effective Date shall become the employees as the case may be, of Respective Transferee Company, and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the transfer of the Demerged Undertakings.
- (b) In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company for the employees of each of the Demerged Undertakings are concerned (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are associated to the employees of each Demerged Undertaking being transferred to the respective Transferee Companies in terms of sub clause (a) above shall be transferred to the relevant Transferee Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of the relevant Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the respective Demerged Undertaking or be transferred to and merged with other similar funds of the relevant Transferee Company. In the event that any Transferee Company does not have its own funds in respect of any of the above, such Transferee Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Transferor Company, until such time that the Transferee Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees of the Demerged Undertaking shall be transferred to the funds created / maintained/ contributed to by the respective Transferee Company.
- (c) In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts created

by the Transferor Company for the employees of the Residual Undertaking are concerned, the same shall continue and the Transferor Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held for the benefit of the employees of the Residual Undertaking.

- (d) Since each and all of the rights, title and ownership, interest in the Demerged Undertaking together with permissions, approvals, consents, sanctions, remissions, special reservations, Tax Holidays, Incentives, Concessions and other authorizations pertaining to the Demerged Undertaking shall stand vested in the respective Transferee Company by order of sanction of the said scheme by the Hon'ble Delhi High Court, the parties shall file the requisite/relevant intimations for the record of the concerned Statutory Authorities who shall take them on file, pursuant to the sanction of the said scheme.
- (e) The Transferor Company and the respective Transferee Company are expressly permitted to revise their Income-tax, sales tax, and other statutory returns including without limitation, 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 credit etc. pursuant to the sanction of this Scheme.
- (f) The Transferor Company hereby undertakes, from the Appointed Date upto and including the Effective Date, to carry on the business in the ordinary course and not to alienate, charge or otherwise deal with or dispose of its assets or any part thereof except as provided in para 7.2(a) to 7.2(c).

9. Saving of Concluded Transactions

- (a) The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertakings under Clause 4 hereof shall not affect any transactions or proceedings already completed by the Transferor Company on or before the Appointed Date to the end and intent that, each of the Transferee Companies accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company in relation to the Demerged Undertaking which shall vest in that Transferee Company in terms of this Scheme of Arrangement as acts, deeds and things made, done and executed by and on behalf of that Transferee Company.
- (b) No investigation/proceeding is pending against none of the Transferor Companies or Transferee Companies under Section 235 to 251 or any other provision of the Companies Act, 1956.
- (c) In the event of non-fulfillment of any obligations under the Scheme, inter-se or to the third parties and non-performance of which will put the other company under any obligation, then such company will indemnify the other against all costs, interests and charges.

10. Directors

- (a) The Directors of each of the Transferor Company and the Transferee Company may be deemed to be concerned

and/or interested in the Scheme to the extent of their shareholding in the Companies, or to the extent the said Directors are common Directors in both the Companies, or to the extent the said Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the Companies. The details of

the Directors of the Transferor Companies, Transferee Companies and 4th Transferee Company are annexed hereto and marked Annexure G.

- (b) This Scheme will have no effect on the interests of the Directors of each of the Companies except in their capacity as shareholders of the Companies.

PART-III OF THE SCHEME

AMALGAMATION OF RESIDUAL UNDERTAKINGS WITH THE 4TH TRANSFEE COMPANY

11. Transfer of Residual Undertakings

11.1 Transfer of Assets

- (a) Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme in relation to the modalities of transfer and vesting, the **Residual Undertakings** of the Transferor Companies (including all the estates, rights, titles and interests of the Transferor Companies therein) shall, without any further act or deed, be transferred to and vested in the 4th Transferee Company pursuant to the provisions of Section 394 of the Act, so as to become the property of the 4th Transferee Company but, subject to all mortgage, charges and encumbrances, if any, then affecting the Transferor Companies without such charges in any way extending to the existing properties of the 4th Transferee Company as on the Appointed Date.
- (b) All assets or investments, rights, title, or interest relating to the Residual Undertakings acquired by the Transferor Companies after the Appointed Date but prior to the Effective Date shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the 4th Transferee Company upon the coming into effect of this scheme pursuant to the provisions of Section 391 to 394 of the Act.
- (c) It is expressly clarified that the movable assets pertaining to its Residual Undertakings as appearing in the audited balance sheet as on the closure of business on the date immediately preceding the Appointed Date capable of transfer by physical delivery or endorsement shall be so transferred and/or delivered to the 4th Transferee Company to the end and intent that the movable assets shall become the property of the 4th Transferee Company on the Appointed Date. The venue for vesting of all such assets shall by virtue of the provisions of this Scheme under the provisions of Section 394 of the said Act will be effected and shall take place at New Delhi.

11.2 Contracts, deeds, etc.

- (a) Upon coming into effect of this scheme and subject to the provisions of this scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, and other instruments relating to the Residual Undertakings of the Transferor Companies which are subsisting or have effect immediately before the Effective date, shall continue in full force and effect on or against or in favour of, as the case may be, the 4th Transferee Company by way of the merger hereunder and may be enforced as fully and effectually as if, instead of the Transferor Companies, such 4th Transferee Company had been a party or beneficiary or obligee thereto or thereunder.

- (b) Without prejudice to other provisions of the scheme and notwithstanding the vesting of the Residual Undertakings of the Transferor Companies by virtue of the scheme itself, in 4th Transferee Company the 4th Transferee Company may, at any time after the coming into effect of the Scheme in accordance with the provisions hereof, in case required under any law or otherwise take such action and execute such deed (including deeds of adherence), confirmation or other writings or tripartite agreements with any party to any contract or arrangement to which the Transferor Companies are a party or any writings as may be necessary in order to give formal effect to the provisions of the Scheme. The 4th Transferee Company shall, under the provisions of Part III of this scheme, be deemed to be authorized to execute any such writing on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Companies to be carried out or performed for the same, in so far as they relate to the Residual Undertakings of the Transferor Company.
- (c) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power of attorney given by, issued to or executed in favour of the Transferor Companies in so far as they relate to the Residual Undertakings shall stand transferred to the 4th Transferee Company by way of the merger hereunder, as if the same were originally given by, issued to or executed in favour of such 4th Transferee Company, and such obligations and duties thereunder, and the rights and benefits under the same shall be available to such 4th Transferee Company. The 4th Transferee Company shall make applications to and obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.
- (d) It is clarified that if any assets (estate, claims, rights, title, interest, in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature which the Transferor Companies owns or to which the Transferor Companies is a party & which relate to the Residual Undertakings of the Transferor Companies and for which to perfect the transfer of the same to the 4th Transferor Company, certain further steps are to be taken or documents are required to be executed, the Transferor Companies shall hold such asset or contract, deeds, bonds, agreements, scheme, arrangements or other instruments of whatsoever in nature in trust for the benefit of the 4th Transferee Company insofar as it is permissible so to do, till such time as the transfer is perfected.

11.3 Transfer of Liabilities

11.3.1

- (a) Upon the coming into effect of this Scheme, all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties or obligations of any kind, nature or description (including contingent liabilities) of the Residual Undertakings of the Transferor Companies (as on the Appointed Date) including those specified in Annexure D,E,F shall, without any further act or deed, be stand transferred to and be deemed to be transferred to the 4th Transferee Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Transferor Companies, and shall become the debts, liabilities, duties and obligations of the 4th Transferee Company which shall meet, discharge and satisfy the same.
- (b) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Residual Undertakings of the Transferor Companies as on the Appointed Date deemed to be transferred to any of the 4th Transferee Company, have been discharged by the Transferor Companies after the Appointed Date and prior to the effective date, such discharge shall be deemed to have been for and on account of the 4th Transferee Company.
- (c) All loans raised and used and all liabilities and obligations incurred by the Transferor Companies after the Appointed Date and prior to the Effective Date, and relating to the Residual Undertakings shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the 4th Transferee Company and shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, and shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the 4th Transferee Company and shall become the debts, liabilities, duties and obligations of the said 4th Transferee Company which shall meet, discharge and satisfy the same.

11.3.2

- (a) The merger and the transfer and vesting of the assets comprised in the Residual Undertaking under clause 11.1 of this Scheme shall be subject to the charges, if any, affecting the same as hereinafter provided.
- (b) The existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances") or those, if any created by the Transferor Companies after the Appointed Date, in terms of this Scheme, over the assets or any part thereof transferred to the 4th Transferee Company by virtue of this scheme, shall after the Effective Date, continue to relate and attach to such assets or any part thereof to which they related or attached prior to the Effective date and as are transferred to the 4th Transferee Company and such Encumbrances shall not relate or attach to any of the other assets of that 4th Transferee Company.
- (c) Without prejudice to the provisions of the foregoing clauses and upon this Scheme becoming Effective, the Transferor Companies and each of the 4th Transferee Company shall execute any Instruments or documents or do all the acts and deeds as may be required, including

the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

- (d) Upon the coming into effect of this Scheme, and with effect from the Appointed Date the 4th Transferee Company alone shall be liable to perform all obligations in respect of the liabilities, which have been transferred to it in terms of the Scheme, and the Transferor Companies shall not have any obligations in respect of such liabilities, and 4th Transferee Company shall indemnify the Transferor Companies in relation to any claim, at any time, against the Transferor Companies in respect of the liabilities which have been transferred to the 4th Transferee Company.
- (e) It is expressly provided that, save as mentioned in this clause 11.3.2, no other terms or conditions of the liabilities transferred to the 4th Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (f) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause 11.3.2 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

12. Transfer at Fair Values

All the assets, properties and liabilities relating to the Residual Undertakings of the Transferor Companies shall be transferred to the 4th Transferee Company at their fair values on the close of business on 31st March 2010. The net fair value of the Residual Undertakings of the Transferor Companies being amalgamated with the 4th Transferee Company has been taken as per certificate of S.R. Dinodia & Company, Chartered Accountants.

13. Legal Proceedings

- (a) All legal or other proceedings by or against the Transferor Company, whether pending on the Appointed Date or any matter arising before the Appointed Date, and relating to the Residual Undertakings including those relating to any property, rights, power, liability, obligation or duty of the Transferor Companies in respect of the Residual Undertakings shall be contested and enforced by or against the 4th Transferee Company, who shall alone be liable and responsible for the same. If any proceedings are instituted against the Transferor Company in respect thereof before the Effective Date, the Transferor Companies will defend the same with due notice to the 4th Transferee Company for indemnification from and against all liabilities, obligations, actions, claims and demands in respect thereof. However, after the Effective Date, the parties hereto shall take appropriate steps to substitute the name of the 4th Transferee Company for that of the Transferor Company therein.
- (b) It is clarified that the settlements or compromises in favour of the Transferor Company in respect of / relating to the Residual Undertaking shall continue to be enforced by the Transferor Company but any monies paid under

the said settlements/compromises shall be paid by the 4th Transferee Company.

14. Conduct of Business

14.1 The Transferor Companies, with effect from the Appointed Date and upto and including the Effective Date:

- (a) shall be deemed to have been carrying on and to be carrying on all business and activities relating to each of the Residual Undertakings and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of each of the Residual Undertakings for and on account.
- (b) all profits and income accruing or arising to the Transferor Company from the Residual Undertakings, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Residual Undertakings based on the audited accounts of the Transferor Company shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the 4th Transferee Company; and
- (c) any of the rights, powers, authorities, privileges, attached, related or pertaining to the Residual Undertakings exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the 4th Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Residual Undertakings that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the 4th Transferee Company.

14.2 With effect from the Appointed Date and until the Effective Date, the Transferor Company undertakes that it will preserve and carry on the business of each of the Residual Undertakings with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber any of the Residual Undertakings or any part thereof save and except in each case:

- (a) If the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court(s); or
- (b) If the same is expressly permitted by this Scheme; or
- (c) If the prior written consent of the Board of Directors of the 4th Transferee Company has been obtained.

14.3 As and from the Appointed Date and till the Effective Date:

- (a) All debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations as on the close of business on March 31, 2010, whether or not provided in the books of the Transferor Company in respect of any of the Residual Undertakings including those specified in Annexure

D,E,F and all debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations relating thereto which arise or accrue to the Transferor Company on or after the Appointed Date in accordance with this Scheme, shall be deemed to be the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the 4th Transferee Company to which that Residual Undertaking is transferred.

- (b) All assets and properties comprised in any of the Residual Undertakings of the Transferor Company as on close of business on March 31, 2010, whether or not included in the books of the Transferor Company, and all assets and properties relating thereto, which are acquired by the Transferor Company in relation to any of the Residual Undertakings of the Transferor Company, on or after the Appointed Date, in accordance with this scheme, shall be deemed to be the assets and properties of the 4th Transferee Company to which the Transferor Company is transferred.

15. Employees

- (a) Upon the coming into effect of this scheme, all employees, consultants and advisors of the Transferor Company engaged in or in relation to the respective Residual Undertakings and who are in such employment as on the Effective Date shall become the employees consultants or advisors as the case may be, of 4th Transferee Company, and subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the transfer of the Residual Undertakings.
- (b) In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Transferor Company for the employees of each of the Residual Undertakings are concerned (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are associated to the employees of each Residual Undertaking being transferred to the 4th Transferee Company in terms of sub clause (a) above shall be transferred to the 4th Transferee Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of the 4th Transferee Company, either be continued as separate funds of the 4th Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds of the 4th Transferee Company. In the event that any 4th Transferee Company does not have its own funds in respect of any of the above, such 4th Transferee Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Transferor Company, until such time that the 4th Transferee Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees of the Residual Undertaking shall be transferred to the funds created / maintained / contributed by the 4th Transferee Company.

- (c) 4th Transferee Company shall be entitled to realize all monies and complete and enforce all pending contracts and transactions in respect of the Residual Undertaking, in the name of the Transferor Company in so far as may be necessary until the Transfer of rights and obligations of the Transferor Company to the 4th Transferee Company under this Scheme finally stands devolved on the parties concerned.
 - (d) All income, receipts and gains of whatsoever nature and all expenses, payments and losses of whatsoever nature relating to the Residual Undertaking not accounted for or disclosed in the books of the Transferor Company as on the Appointed Date, but pertaining to the period upto the Appointed Date shall be to the account of the 4th Transferee Company. All continuing gains/ losses, income/expenses, receipts/payments relating to the Residual Undertaking in respect of the period on and after the Appointed Date shall accrue to the 4th Transferee Company's account only.
 - (e) Since each and all of the rights, title and ownership, interest in the Residual Undertaking together with permissions, approvals, consents, sanctions, remissions, special reservations, Tax Holidays, Incentives, Concessions and other authorizations pertaining to the Residual Undertaking shall stand vested in the 4th Transferee Company by order of sanction of the said scheme by the Hon'ble Delhi High Court, the parties shall file the requisite/relevant intimations for the record of the concerned Statutory Authorities who shall take them on file, pursuant to the sanction of the said scheme.
 - (f) The Transferor Companies and the 4th Transferee Company are expressly permitted to revise their Income-tax, sales tax, and other statutory returns including without limitation, 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 credit etc. pursuant to the sanction of this Scheme, where applicable.
 - (g) The Amalgamation of the Residual Undertakings as a going concern to the 4th Transferee Company is in accordance with section 2(1B) of the Income-tax Act, 1961.
 - (h) The Transferor Companies hereby undertake, from the Appointed Date upto and including the Effective Date, to carry on the business relating to the Residual Undertakings in the ordinary course and not to alienate, charge or otherwise deal with or dispose of its assets or any part thereof except in the usual course of business except as provided in 14.2(a) to (c) above.
- 16. Saving of Concluded Transactions**
The transfer and vesting of the assets, liabilities and obligations of the Residual Undertakings under Clause 11 hereof shall not affect any transactions or proceedings already completed by the Transferor Company on or before the Appointed Date to the end and intent that, the 4th Transferee Company accept all acts, deeds and things done and executed by and/or on behalf of the Transferor Company in relation to the Residual Undertakings which shall vest in that 4th Transferee Company in terms of this Scheme of Arrangement as acts, deeds and things made, done and executed by and on behalf of that 4th Transferee Company.
- 17. Directors**
(a) The Directors of each of the Transferor Company and the 4th Transferee Company may be deemed to be concerned and/or interested in the Scheme to the extent of their shareholding in the Companies, or to the extent the said Directors are common Directors in both the Companies, or to the extent the said Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/ or beneficiary of trust, that hold shares in any of the Companies. The details of the Directors of the Transferor Companies, Transferee Companies and 4th Transferee Company have already been annexed as Annexure G.
- (b) This Scheme will have no effect on the interests of the Directors of each of the Companies except in their capacity as shareholders of the Companies.

PART-IV OF THE SCHEME

REORGANIZATION OF CAPITAL OF TRANSFEROR COMPANY, TRANSFEE COMPANY AND 4TH TRANSFEE COMPANY

18. Provisions to Prevail

The Provisions of this Part IV shall operate notwithstanding anything to the contrary in this Scheme.

19. Reorganization of Share Capital

In consideration of the transfer and vesting of the Demerged Undertakings in the respective Transferee Companies and of the Residual Undertaking in the 4th Transferee Company in accordance with the provisions of Part II and Part III respectively of this Scheme and as an integral part of this Scheme, the share capital of the Transferee Companies and the 4th Transferee Company shall be increased in the manner set out in Clauses 20 to 23 below based on the Valuation Report determining the Share Entitlement Ratio for the Scheme issued by S.R. Dinodia and Company, Chartered Accountants.

20. Issue of Shares by each Transferee Company

After the Scheme takes effect, in consideration of the demerger including the transfer and vesting of each of the Demerged Undertakings in the relevant Transferee Companies pursuant to Part II of this Scheme, each of the Transferee Companies shall, without any further act or deed, issue and allot to each member of the respective Transferor Company whose name is recorded in the register of members of the respective Transferor Company on the Record Date, equity shares in the respective Transferee Company in the following ratios:

- (a) In the case of the 1st Transferee Company, in the ratio of 10 equity shares in the 1st Transferee Company of the face value of Rs.10/- (Rupees Ten) each credited as fully paid-up for every one equity share of Rs. 100/-

each fully paid up held by such member or his/her/its heirs, executors, administrators or successors in the 1st Transferor Company (the "Share Entitlement Ratio") resulting in issue of 10,000 number of Equity shares of the 1st Transferee Company of Rs. 10 each fully paid up;

- (b) In the case of the 2nd Transferee Company, in the ratio of 10 equity share in the 2nd Transferee Company of the face value of Rs.10/- (Rupees Ten) each credited as fully paid-up, for every one equity share of Rs. 100/- each fully paid up held by such member or his/her/its heirs, executors, administrators or successors in the 2nd Transferor Company (the "Share Entitlement Ratio") resulting in issue of 10,000 number of Equity shares of the Transferee Company of Rs. 10 each fully paid up;
- (c) In the case of the 3rd Transferee Company, in the ratio of 0.002 equity shares in the 3rd Transferee Company credited for 1 equity share of Rs.100/- each fully paid-up, held by such member or his/her/its heirs, executors, administrators, or successors in the 3rd Transferor Company (the "Share Entitlement Ratio") resulting in issue of 10,020 number of shares of the Transferee Company.
- (d) All equity shares issued and allotted by the Transferee Companies shall rank pari-passu in all respects with effect from the Appointed Date. The Shareholders list of the Transferor Companies, Transferee Company & The 4th Transferee Company as on the Appointed Date is annexed hereto and marked Annexure H.

21. Issue of New Shares by 4th Transferee Company

Upon coming in to effect of this Scheme, in consideration of the transfer and vesting of each Residual Undertaking of the Transferor Companies No. 1 to 3 in the 4th Transferee Company, pursuant to Part III of this Scheme, the 4th Transferee Company shall, without any further act or deed, issue and allot to each member of the Transferor Companies No. 1 and 2 whose name is recorded in the register of members of the Transferor Companies on the Record Date, Equity Shares & Preference Share in the 4th Transferee Company in the following ratios:

- (a) In the case of the 1st Transferor Company, 2419,124 equity share of the face value of Rs.10/- (Rupees Ten) each and 6566,513, 8% Non- Cumulative Redeemable Preference Share (herein after referred as "NCRPS") of face value of Rs.10/- (Rupees Ten) each shall be credited as fully paid-up, for every One equity share of Rs. 100/- each fully paid up held by such member or his/her/its heirs, executors, administrators or successors in the 1st Transferor Company (the "Share Entitlement Ratio");

That the Investment by 1st Transferor Company in the equity capital of the 4th Transferee Company shall be cancelled, i.e., the Capital of KHL shall stand reduced by Rs 24,191,240 (2,419,124 number equity shares of face value of Rs. 10 each).

- (b) In the case of the 2nd Transferor Company, shares shall be allotted in the 4th Transferee Company in the ratio of 2419,125 equity share of the face value of Rs.10/- (Rupees Ten) each and 6352,905, 8% Non- Cumulative Redeemable Preference Share (herein after referred as "NCRPS") of face value of Rs.10/- (Rupees Ten) each

credited as fully paid-up, for every One equity share of Rs. 100/- each fully paid up held by such member or his/her/its heirs, executors, administrators or successors in the 2nd Transferor Company (the "Share Entitlement Ratio");

That the investment by the 2nd Transferor Company in the equity capital of the 4th Transferee Company shall be cancelled, i.e., the Capital of KHL shall stand reduced by Rs 24,191,250 (2,419,125 number equity shares of face value of Rs. 10 each).

- (c) In the case of the 3rd Transferor Company, since the whole of the paid-up capital of the 3rd Transferor Company is held by the 4th Transferee Company itself (i.e. the 3rd Transferor Company is the wholly owned subsidiary of the 4th Transferee Company) the 4th Transferee Company will not issue any Shares to the shareholders of the 3rd Transferor company.
- (d) Notwithstanding the provisions of clause 21 (a), 21(b) and 21(c) above such portion of share capital of Transferor Company held by the 4th Transferee Company shall stand cancelled upon the Scheme becoming effective without any further application, act or deed and there would be no issuance of shares by the 4th Transferee Company in relation to such shares.

22. General Provisions applicable to Issue of Shares

(a) Issue of Shares in Dematerialized/Physical Form:

The equity shares to be issued by each of the Transferee and 4th Transferee Company (collectively hereinafter referred as Issuing Company) pursuant to Clause 20 & 21 above shall be issued in dematerialized form by each of the Transferee Company (hereinafter referred to as the Issuing Company, Issuing Companies unless otherwise notified in writing by the shareholders of the Transferor Company (collectively hereinafter referred as Recipient Company) to the relevant Issuing Company on or before such date as may be determined by the Board of Directors of the Issuing Company or a committee thereof. In the event that such notice has not been received by any of the Issuing Companies in respect of any of the members of the Recipient Company, the equity shares shall be issued to such members in dematerialized form provided that members of the Issuing Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the issuing Company has received notice from any member that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of the Issuing Company, then the Issuing Company shall issue equity shares in physical form to such member or members.

(b) Pending Share Transfers etc.:

- (i) In the event of there being any pending shares transfers, whether lodged or outstanding, of any shareholder of the Recipient Company, the Board of Directors or any committee thereof of the Recipient Company shall be empowered in appropriate cases,

prior to or even subsequent to the Record Date to effectuate such a transfer in the Recipient Company as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Issuing Companies after the effectiveness of this Scheme.

- (ii) The new equity shares to be issued by the Issuing Company pursuant to this Scheme in respect of any equity share of the Recipient Company which were held in abeyance under the provision of Section 206A of the Act or otherwise shall be pending allotment or settlement of dispute by the order of court or otherwise, be held in abeyance by the Issuing Company.

(c) New Equity Shares subject to same terms:

- (i) The new equity shares issued and allotted by the Issuing Company in terms of this Scheme shall be subject to the provisions of the Memorandum & articles of Association of the Issuing Company after the effectiveness of this Scheme.
- (ii) Equity shares of the 4th Transferee Company issued in terms of Clause 21 of this Scheme will be listed and/or admitted to trading on the Bombay Stock Exchange where the shares of the 4th Transferee Company are listed and/or admitted to trading in terms of the SEBI (Issue of capital and Disclosure Requirements) Regulations 2009. The Issuing Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. On such formalities being fulfilled the said Stock exchanges shall list and/or admit such equity shares also for the purpose of trading.
- (iii) The equity shares to be issued by the Issuing Company pursuant to this Scheme in respect of shares of the Recipient Company, which are not fully paid up shall also be kept in abeyance and dealt with by the Issuing Company based on information periodically provided by the Recipient Company to the relevant Issuing Companies.
- (iv) In respect of equity shares of the Recipient Company where the calls in arrears, without prejudice to any remedies that the Recipient Company or the Issuing Company as the case may be, shall have in this behalf, the Issuing Company shall not bound to issue any shares of Issuing Company nor to confer any entitlement to such holder until such time as the calls in arrears are paid in full.
- (v) Unless otherwise determined by the Board of Directors or any committee thereof of the Recipient Company and the Board of Directors or any committee thereof of the relevant Issuing Company, issuance of equity shares in terms of Clause 20 & 21 above shall be done within 45 days from the Effective Date.

(d) Obtaining the Approvals

For the purpose of issue of equity shares to the shareholders of the Recipient Company, the Issuing Company shall, if and to the extent required, apply for and obtain the required statutory approvals and other concerned regulatory authorities for the issue and allotment by the Issuing Company of such equity shares.

(e) Fractional Entitlement

No fractional certificates, entitlements, or credit shall be given by the Issuing Company in respect of the fractional entitlement; if any, to which the shareholders of the Recipient Company are entitled on the issue and allotment of equity shares by the Issuing Company in accordance with the Scheme. The Board of Director shall instead consolidate all such fractional entitlements to which the shareholder of the Recipient Company may be entitled on the issue and allotment of equity shares of the Issuing Company as aforesaid and shall, without any further application, act, deed, issue and allot such entitlement directly to an individual trustees or a board of trustee or a corporate trustee (the "Trustees"), who shall hold such fractional entitlements with all accretions or addition thereto in trust for the benefit of respective shareholders to whom they belong and their respective heirs, executors, administrator or successors for the specific purpose of selling such fractional entitlement at such price and such time as the Trustees may in its sole discretion decide and on such sale pay to the Issuing Company the net sale proceeds thereof and any addition and accretion, whereupon the Issuing Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Recipient Company in proportion to their respective fractional entitlement.

(f) Terms of Issue of NCRPS

Coupon Rate

The NCRPS shall, subject to the provisions of the Articles of Association of 4th Transferee Company and subject to the provisions of the Act, confer on the holders thereof a right to a fixed non-cumulative preferential dividend of 8% per annum in priority to the equity shares subject to deduction of taxes at source if applicable.

Redemption

The NCRPS are redeemable on the expiry of Twenty years from the date of allotment thereof. However, 4th Transferee Company may on its own discretion redeem part or whole of the NCRPS at any time from the date of allotment, in one or more tranches, by giving notice of not less than thirty days, to the holders of NCRPS.

Winding-up

In the event of winding up of 4th Transferee Company, the holders of NCRPS shall have a right to receive payment of the paid-up preference share capital of 4th Transferee Company but shall not have any further right to participate in the profits or assets of 4th Transferee Company.

Listing

The NCRPS will not be listed on any of the Stock Exchanges.

23. Increase in Share Capital

Transferee Companies

Upon the coming into effect of this Scheme, the authorized share capital of each of the Transferee Companies shall stand increased and the existing capital clause contained in the respective Memorandum of Association of each of the Transferee Companies shall, upon the coming into effect of this Scheme, be altered and substituted as follows:

- (a) The authorized capital of the 1st Transferee Company shall be increased from Rs.1,00,000/- (Rupees One Lakh only) divided into 10,000 (Ten Thousand) Equity Shares of Rs.10/- each to Rs.2,00,000/- (Rupees Two Lakhs) divided into 20,000 (Twenty Thousand) Equity Shares of Rs.10/- each and Clause V of the Memorandum of Association of the 1st Transferee Company shall, upon coming into effect of this Scheme, be substituted by the following new Clause:

"The share capital of the Company is Rs.2,00,000/- (Rupees Two Lakh only) divided into 20,000 (Twenty Thousand) equity shares of Rs.10/- (Rupees Ten) each, with the power to increase, reduce, divide and/or sub-divide the share capital and attach thereto such preferential, priority, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to dividend, voting, return of capital, distribution of assets or otherwise, howsoever, as may be determined in accordance with the law and the regulations from time to time of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may from time to time be provided by the regulations/ resolutions of the Company and to consolidate or sub-divide or reorganize shares or issue shares of higher or lower denominations."

- (b) The authorized capital of the 2nd Transferee Company shall be increased from Rs.1,00,000/- (Rupees One Lakhs only) divided into 10,000 (Ten Thousand) Equity Shares of Rs.10/- each to Rs.2,00,000/- (Rupees Two Lakhs only) divided into 20,000 (Twenty Thousand) Equity Shares of Rs.10/- each and Clause V of the Memorandum of Association of the 2nd Transferee Company shall, upon coming into effect of this Scheme, be substituted by the following new Clause:

"The share capital of the Company is Rs.2,00,000/- (Rupees Two Lakh only) divided into 20,000 (Twenty Thousand) equity shares of Rs.10/- (Rupees Ten) each, with the power to increase, reduce, divide and/or sub-divide the share capital and attach thereto such preferential, priority, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to dividend, voting, return of capital, distribution of assets or otherwise, howsoever, as may be determined in accordance with the law and the regulations from time to time of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions

in such manner as may from time to time be provided by the regulations/ resolutions of the Company and to consolidate or sub-divide or reorganize shares or issue shares of higher or lower denominations."

Upon this Scheme becoming effective and after the allotment of the new equity shares by the Transferee Companies, the issued, subscribed and paid-up capital of each Transferee Company shall, assuming full allotment of shares stand increased as follows:

- (a) the issued, subscribed and paid-up capital of the 1st Transferee Company shall stand increased to Rs.2,00,000/- (Rupees Two Lakhs) divided into 20,000 (Twenty Thousand) Equity Shares of Rs.10/- each fully paid-up; and
- (b) the issued, subscribed and paid-up capital of the 2nd Transferee Company shall stand increased to Rs.2,00,000/- (Rupees Two Lakhs) divided into 20,000 (Twenty Thousand) Equity Shares of Rs.10/- (Rupees Ten only) each fully paid-up; and
- (c) the issued, subscribed and paid-up capital of the 3rd Transferee Company shall stand increased to Rs.600,200/- divided into 60,020 Equity Shares of Rs.10/- (Rupees Ten only) each fully paid-up

4th Transferee Company

Upon the Scheme coming into effect, the authorized share capital of the 4th Transferee Company in terms of its Memorandum of Association and Articles of Association shall stand enhanced to an amount of Rs.230,000,000/- divided into 10,000,000 Equity Shares of Rs.10/- each and 13,000,000 Preference Shares of Rs.10/- each and the Capital clause being Clause V of the Memorandum of Association of the 4th Transferee Company shall on the Effective Date stand substituted to read as follows:

"The share capital of the Company is Rs.230,000,000 (Rupees Twenty Three Crores only) divided into 10,000,000 (One Crore only) Equity Shares of Rs.10/- each and 13,000,000 (One Crore Thirty Lakhs only) Preference Shares of Rs.10/- each, with the power to increase, reduce, divide and/or sub-divide the share capital and attach thereto respectively such preferential, priority, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to dividend, voting, return on capital, distribution of assets or otherwise, howsoever, as may be determined in accordance with the law and the regulations from time to time, of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may from time to time, be provided by the regulations/resolutions of the Company and to consolidate or sub-divide or re-organize shares or issue shares of higher or lower denominations."

Upon the Scheme becoming effective, the Issued, Subscribed and Paid-up Capital of the 4th Transferee Company shall stand suitably increased consequent upon the Issuance of new Equity Shares & Preference Shares in accordance with Clause 21 above.

PART-V OF THE SCHEME

ACCOUNTING TREATMENT OF SCHEME OF ARRANGEMENT IN BOOKS OF TRANSFEROR COMPANY, TRANSFEREE COMPANY AND 4TH TRANSFEREE COMPANY

24. Accounting Treatment in books of Transferor Companies for demerger of Demerged Undertaking

The Assets and Liabilities, including Reserves & Surplus, of the Demerged Undertakings being transferred to the respective Transferee Companies shall be at a value appearing in the books of accounts on the close of the business on March 31, 2010.

25. Accounting Treatment in books of Transferee Companies for demerger of Demerged Undertaking

- (a) Upon coming into effect of this Scheme and upon the arrangement becoming operative, the respective Transferee Companies shall record the Asset and Liabilities comprised in the respective Demerged Undertakings transferred to and vested in them pursuant to this scheme, at the same value appearing in the books of respective Transferor Companies on the close of business on March 31, 2010
- (b) The respective Transferee Companies shall credit their respective Share Capital Account with the aggregate face value of the new equity shares issued to the shareholders of the respective Transferor Companies pursuant to the Clause 20 of this scheme.
- (c) The excess or deficit, if any remaining after recording the aforesaid entries shall be credited by the respective Transferee Companies to their General Reserve Account or debited to Goodwill, as the case may be.

26. Accounting Treatment in books of 4th Transferee Company

- (a) With effect from appointed date and upon coming in to effect of this Scheme, the 4th Transferee Company shall record all the Assets and Liabilities comprised in the Residual Undertakings transferred to and vested in it pursuant to this Scheme, except the Investment made by the transferor Companies in the 4th Transferee

Company, at their fair values. The above treatment of recording the assets and liabilities at fair value is in accordance with the Purchase Method prescribed in Para 36 to 39 of Accounting Standard 14 issued by The Institute of Chartered Accountants of India, in this respect.

- (b) The excess or deficit, if any, in the consideration and the net book value calculated, of the undertaking as stated above of the Transferor Companies, shall unless otherwise determined by the Board of Directors of the 4th Transferee Company, shall be credited by the 4th Transferee Company to their Capital Reserve Account or debited to the Goodwill, as the case may be, without prejudicing anything specifically contained in Accounting Standard 14 issued by the Institute of Chartered Accountants of India, in this respect.

- (c) The 4th Transferee Company shall credit the Share Capital Account in the books of account with the aggregate face value of new Equity and Preference share issued to shareholders of the Transferor Companies pursuant to Clause 20 of this Scheme.

27. Accounting Treatment in books of Transferor Companies

- (a) Since the Transferor companies will cease to exist after the appointed date, all its assets and liabilities will be transferred out either to the respective Transferee Companies or to the 4th Transferee Company and dealt with as stated herein before.
- (b) In case of any differences in accounting policies between Transferor Companies and 4th Transferee Company, the impact of such differences shall be quantified and adjusted as the Board of Directors of the 4th Transferee Company deem fit to ensure that the true financial statements of 4th Transferee Company on the Effective Date are on the basis of consistent accounting policies.

PART-VI OF THE SCHEME

GENERAL TERMS AND CONDITIONS

28. DIVIDEND AND OTHER RIGHTS

- (a) The Transferor Companies, Transferee Companies and 4th Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective equity shareholders in respect of the accounting period prior to the Effective Date. The entitlement to such dividend will be to the registered shareholders of respective company on the date of declaration/record date as applicable.
- (b) The equity shareholders of respective Transferor Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing rights under the Articles of Association including the right to receive dividends upto the effective date.

The new equity shareholders of the respective Transferee Companies and 4th Transferee Company (who are allotted shares pursuant to the Scheme), shall be entitled to enjoy their rights under the Articles of Association including the right to receive dividend from the effective date only.

29. DISSOLUTION OF THE TRANSFEROR COMPANIES

On the scheme becoming effective, the Transferor Companies namely NFPL, BFPL and SRFPL shall be dissolved without any further act, deed or instrument, without going through the process of winding up and shall be succeeded by the respective Transferee Companies and the 4th Transferee Company.

30. APPLICATION TO HIGH COURT

The Transferor Company, Transferee Companies and 4th

Transferee Company shall make necessary applications under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act to the Hon'ble High Court for sanction of this Scheme and for the consequent dissolution without winding up of the Transferor Companies.

31. MODIFICATION OR AMENDMENT TO THE SCHEME

The Transferor Companies, Transferee Companies and the 4th Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this scheme or to any conditions or limitations which either the board of directors of the respective Company deem fit or which the High Court or any other authorities under law may deem fit to approve or impose and which the respective Companies may in their discretion deem fit and resolve all doubts or difficulties that may arise in carrying out and implementing the scheme.

32. SCHEME CONDITIONAL UPON AND SUBJECT TO

- (a) The Scheme being agreed to by the respective requisite majorities of the members of all the Company, as

may be required by the Hon'ble High Court either at a meeting or through consent/ No-objection Letters on the application made for direction under Section 391 of the Act for calling/ dispensing of a meeting and necessary resolution if any, been passed under the Act for the purpose.

- (b) Sanction of the Hon'ble High Court under section 391 and 394 of the Act and necessary order or orders under section 394 of the Act being obtained.
- (c) Such other sanction and approvals as may be required by law in respect of the Scheme being obtained.
- (d) This Scheme, although to come into operation from the Appointed Date, shall not become effective until the date on which the certified copies of the orders of the Hon'ble High Court under Sections 391 and 394 of the Act are duly filed with the offices of the Registrar of Companies, where all the companies who are the part of this Scheme are registered.

PART-VII OF THE SCHEME OTHER TERMS AND CONDITIONS

33. APPROVALS AND MODIFICATIONS

- (a) The Transferor Companies, Transferee Companies and 4th Transferee Company, may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which either the Board of Directors or a Committee or Committees of the concerned Board of Directors authorized in that behalf by the concerned Board of Directors (hereinafter referred to as the "Delegates") of the Transferor Companies, Transferee Companies and the 4th Transferee Company deem fit, or which the Hon'ble High Court or any other authorities under law may deem fit to approve of or impose and which the Transferor Companies, Transferee Companies and the 4th Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing this Scheme into effect.
- (b) In the event that the concerned Company may find any of the modifications or conditions which may be imposed by the Courts or other authorities unacceptable for any reason, then the respective Companies are at liberty to withdraw the Scheme. The aforesaid powers of all the Companies may be exercised by the Delegates of the respective Companies.
- (c) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the concerned Companies or their Delegates may give and are authorized to determine and give all such directions as may be necessary including directions

for settling or removing any question of doubt or difficulty that may arise 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.

34. CONSENT OF MEMBERS AND DIRECTORS

- (a) On the approval of the scheme by the members of the concerned company pursuant to section 391 of the Act, it shall be deemed that the said members have also accorded all relevant consents under section 391 and any other provisions of the Act to the extent the same may be considered applicable.
- (b) The directors of each of the Concerned Companies may be deemed to be interested in the scheme to the extent of their shareholding in the companies, or to the extent the said directors are common directors in the companies, or to the extent the said directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the companies.
- (c) The scheme will have no effect on the interest of the directors except in their capacity as shareholders. The particulars of the interest of directors are available for inspection at the respective registered offices of the Concerned Companies.

35. COST, CHARGES & EXPENSES

- (a) All costs, charges and expenses, including any taxes and duties of the Transferor Companies and 4th Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion and implementation of the amalgamation of the Transferor Companies with the 4th Transferee Company in pursuance of this Scheme shall be borne and paid by the 4th Transferee Company.

(b) All costs, charges and expenses, including any taxes and duties of the Transferor Companies and Transferee Companies respectively in relation to or in connection with this Scheme and incidental to the completion and implementation of the demerger of the Real Estate Division of Transferor Companies with the Transferee Companies in pursuance of this Scheme shall be borne and paid by the respective Transferee Company.

(c) The Transferor Companies and the 4th Transferee

Company shall also take all such other steps as may be necessary or expedient to give full and formal effect to and implement the provisions of this Scheme.

(d) In the event of non-fulfillment of any or all obligations under this Scheme by any party towards any other party, inter-se or to third parties and non-performance of which will place the other party under any obligation, then such defaulting party will indemnify all costs and interest to such other affected party.

ANNEXURE A

DEMERGED UNDERTAKING OF 1ST TRANSFEROR COMPANY

The Real Estate Division of 1st Transferor Company being Demerged into 1st Transferee Company consist of following (based on Audited Balance Sheet of 31.03.2010)

Amount in Rupees

Particulars	Book Value	Basis	Transfer Value
Fixed Assets			
Gross Block	4,665,216		
Less: Depreciation	1,352,707		
Net Block	3,312,509	Book Value	3,312,509
Investments			
Current Assets, Loans & Advances			
Cash & Bank Balances			
Loans & Advances	31,018,645	Book Value	31,018,645
Total Assets (A)	34,331,154		34,331,154
Less: Current Liabilities & Provisions			
Current Liabilities	31,000,000	Book Value	31,000,000
Total Liabilities (B)	31,000,000		31,000,000
Net Assets (A) - (B)	3,331,154		3,331,154

Details of Assets and Liabilities transferred

Fixed Assets

All piece and parcel of the total land of the Farm House admeasuring 12 Bighas situated at Village Rajokari, Tehsil Mehrauli, New Delhi along with its structure/building constructed thereon and bounded as under with following details:

East: Farm House No. 1, Silver Oak Avenue, Westend Green Farms (old no. 53) of Bhairav Farms Pvt. Ltd.

West: Farm House of Tapti Farms Pvt. Ltd.

North: Nala

South: Road and Main Entrance/Gate of the said Farm House

Khasra No.	Bighas	Biswas
326	0	15
327	1	2
328	1	1
330	3	17
331	3	2
332	2	3

Loans & Advances

Advance to Investment Division of NFPL	31,000,000
Security Deposit with Delhi Vidyut Board	18,645
	<u>31,018,645</u>

Current Liabilities

Security Deposit from SRF Ltd	31,000,000
	<u>31,000,000</u>

ANNEXURE B

DEMERGED UNDERTAKING OF 2ND TRANSFEROR COMPANY

The Real Estate Division of 2nd Transferor Company being Demerged into 2nd Transferee Company consist of following (based on Audited Balance Sheet of 31.03.2010)

Amount in Rupees			
Particulars	Book Value	Basis	Transfer Value
Fixed Assets			
Gross Block	5,503,140		
Less: Depreciation	2,206,185		
Net Block	3,296,955	Book Value	3,296,955
Investments			
Current Assets, Loans & Advances			
Cash & Bank Balances			
Loans & Advances	31,018,645	31,018,645	31,018,645
Total Assets (A)	34,315,600		34,315,600
Less: Current Liabilities & Provisions			
Current Liabilities	31,000,000	Book Value	31,000,000
Total Liabilities (B)	31,000,000		31,000,000
Net Assets (A) - (B)	3,315,600		3,315,600

Details of Assets and Liabilities transferred

Fixed Assets

All piece and parcel of the total land of the Farm House admeasuring 12 Bighas situated at Village Rajokari, Tehsil Mehrauli, New Delhi along with its structure/building constructed thereon and bounded as under with following details:

East: Road

West: Farm House No. 2, Silver Oak Avenue, Westend Green Farms (old no. 54) of Namada Farms Pvt. Ltd.

North: Nala

South: Road and Main Entrance/Gate of the said Farm House

Khasra No.	Bighas	Biswas
316/2	1	17
317/1	1	13
317/2	1	7
326	2	12
327	3	11
328	1	0

Loans & Advances

Advance to Investment Division of BFPL
Security Deposit with Delhi Vidyut Board

31,000,000
18,645
31,018,645

Current Liabilities

Security Deposit from SRF Ltd

31,000,000
31,000,000

ANNEXURE C

DEMERGED UNDERTAKING OF 3RD TRANSFEROR COMPANY

The Real Estate Division of 3rd Transferor Company being Demerged into 3rd Transferee Company consist of following (based on Audited Balance Sheet of 31.03.2010)

Amount in Rupees

Particulars	Book Value	Basis	Transfer Value
Fixed Assets			
Gross Block	240,261,062		
Less: Depreciation	17,285,169		
Net Block	222,975,893	Book Value	222,975,893
Deferred Tax Assets	4,428,462	Book Value	4,428,462
Investments			
Current Assets, Loans & Advances			
Cash & Bank Balances			
Loans & Advances	45,378,834	Book Value	45,378,834
Total Assets (A)	272,783,189		272,783,189
Less:			
Current Liabilities & Provisions			
Current Liabilities	30,000,000	Book Value	30,000,000
Secured Loans	200,433,775	Book Value	200,433,775
Total Liabilities (B)	230,433,775		230,433,775
Net Assets (A) - (B)	42,349,414		42,349,414

Details of Assets and Liabilities transferred

Fixed Assets

All that Office Space on 1st, 2nd and 3rd floor and main atrium space on the Ground Floor, measuring and having super built-up area of 50,475 square feet (4689.24 square meters) situated at UNITECH CREST, Block-C, Sector-45, Greenwoods City, in the revenue estate of Village Jharsa, Tehsil & District Gurgaon, Haryana alongwith:

- exclusive right to use 71 (seventy one) number of identified Car Parking space, 61 (sixty one) number covered and 10 (ten) open car parking space in the said complex;
- proportionate, undivided, impartible share and interest in the Said Land (in proportion to the super area purchased by the VENDEE) on which the said complex is constructed;
- right to use the open area, common areas and common amenities and facilities to be provided in the said complex and all manner of rights, privileges, easements, advantages, appendages and appurtenances whatsoever or howsoever;
- exclusive right to develop and use as terrace garden approx. 5630 sq.ft. at the terrace of the said complex without any hindrance from other owners of the said complex (subject to access and usage of the terrace by the other owners / occupants / maintenance agency to carry out routine maintenance works only); and
- exclusive right to use the elevators provided in the said complex.

*Land comprises land admeasuring 0.946 acres and VENDEE comprises the 3rd Transferor company, i.e., SRF Polymers Investments Limited.

Loans & Advances

Loan to KRDL (3rd Transferee company)	31,423,150
Prepaid Expenses	50,764
Income Tax Recoverable (net of provision)	13,904,920
	<u>45,378,834</u>

Current Liabilities

Security Deposit from SRF Ltd	30,000,000
Loan from Citibank N.A.	200,433,775
	<u>230,433,775</u>

ANNEXURE D

RESIDUAL NFPL

The Investment Division of 1st Transferor Company, being transferred to 4th Transferee Company consist of following (based on Audited Balance Sheet of 31.03.2010)

Amount in Rupees

Particulars	Book Value	Basis	Transfer Value
Fixed Assets			
Gross Block			
Less: Depreciation			
Net Block			
Investment in SRF Limited	13,720,000	Fair Value*	94,001,600
Investment in KAMA Holdings Limited	139,428,463	Paid-up Value	24,191,240
Current Assets, Loans & Advances			
Cash & Bank Balances	297,621	Book Value	31,118,531
Loans & Advances	30,820,910		
Total Assets (A)	184,265,994		149,311,371
Less:			
Current Liabilities & Provisions			
Current Liabilities	31,005,000	Book Value	31,005,000
Unsecured Loans	28,450,000	Book Value	28,450,000
Total Liabilities (B)	59,455,000		59,455,000
Net Assets (A) - (B)	124,811,994		89,856,371

*The Fair Value has been arrived at on the basis of Average of weekly high & low for 26 weeks ending on 31st March, 2010. (source: - www.nseindia.com)

Details of Assets and Liabilities transferred

Investments

Name of the Company	Number of Shares	Book Value/ Cost	Face/Paid-up Value Per Share (Rs)	%age of Holding
SRF Limited	490,000	13,720,000	10	0.81%
KAMA Holdings Limited	2,419,124	139,428,463	10	37.49%

Loans & Advances

KAMA Holdings Limited	28,735,855
Income Tax Recoverable (net of provision)	2,085,055
	<u>30,820,910</u>

Current Liabilities

Due to Real Estate Division of NFPL	31,000,000
Other Liabilities	5,000
	<u>31,005,000</u>

Unsecured Loans

From Directors/Shareholders	28,450,000
	<u>28,450,000</u>

ANNEXURE E

RESIDUAL BFPL

The investment Division of 2nd Transferor Company being transferred to 4th Transferee Company consist of following (based on Audited Balance Sheet of 31.03.2010)

Amount in Rupees			
Particulars	Book Value	Basis	Transfer Value
Fixed Assets			
Gross Block			
Less: Depreciation			
Net Block			
Investment In SRF Limited	13,720,001	Fair Value*	94,001,600
Investment In KAMA Holdings Limited	142,926,256	Paid-up Value	24,191,250
Current Assets, Loans & Advances			
Cash & Bank Balances	7,647		
Loans & Advances	25,224,805	Book Value	25,232,452
Total Assets (A)	181,878,709		143,425,302
Less:			
Current Liabilities & Provisions			
Current Liabilities	31,005,000	Book Value	31,005,000
Unsecured Loans	24,700,000	Book Value	24,700,000
Total Liabilities (B)	55,705,000		55,705,000
Net Assets (A) - (B)	126,173,709		87,720,302

*The Fair Value has been arrived at on the basis of Average of weekly high & low for 26 weeks ending on 31st March, 2010 (source: - www.nseindia.com)

Details of Assets and Liabilities transferred

Investments

Name of the Company	Number of Shares	Book Value/ Cost	Face/Paid-up Value Per Share (Rs)	%age of Holding
SRF Limited	490,000	13,720,001	10	0.81%
KAMA Holdings Limited	2,419,125	142,926,256	10	37.49%

Loans & Advances

KAMA Holdings Limited	23,430,911
Income Tax Recoverable (net of provision)	1,793,894
	<u>25,224,805</u>

Current Liabilities

Due to Real Estate Division of BFPL	31,000,000
Other Liabilities	5,000
	<u>31,005,000</u>

Unsecured Loans

From Directors/Shareholders	24,700,000
	<u>24,700,000</u>

ANNEXURE F RESIDUAL SRFPIL

The Investment Division of 3rd Transferor Company being transferred to 4th Transferee Company consist of following (based on Audited Balance Sheet of 31.03.2010)

Amount in Rupees

Particulars	Book Value	Basis	Transfer Value
Fixed Assets			
Gross Block	-		
Less: Depreciation			
Net Block			
Investment in SRF Limited	1,299,575,460	Fair Value*	3,209,114,100
Investment in KAMA Realty (Delhi) Limited	500,000	Book Value	500,000
Current Assets, Loans & Advances			
Cash & Bank Balances	7,785,952		
Loans & Advances	7,785,952	Book Value	7,785,952
Total Assets (A)	1,307,861,412		3,217,400,052
Less:			
Current Liabilities & Provisions			
Current Liabilities	3,603,053	Book Value	3,603,053
Secured Loans	421,590,139	Book Value	421,590,139
Unsecured Loans	337,300,000	Book Value	337,300,000
Total Liabilities (B)	762,493,192		762,493,192
Net Assets (A) - (B)	545,368,220		2,454,906,860

*The Fair Value has been arrived at on the basis of Average of weekly high & low for 26 weeks ending on 31st March, 2010 (source: - www.nseindia.com)

Details of Assets and Liabilities transferred

Investments

Name of the Company	Number of Shares	Book Value/ Cost	Face/Paid-up Value Per Share (Rs)	%age of Holding
SRF Limited	16,728,078	1,299,575,460	10	27.65%
KAMA Realty (Delhi) Limited	50,000	500,000	10	100.00%

Current Liabilities

Other Liabilities	3,603,053
	<u>3,603,053</u>

Secured Loans

Citibank N.A.	71,590,139
Kotak Mahindra Prime Limited	250,000,000
Aditya Birla Finance Limited	100,000,000
	<u>421,590,139</u>

Unsecured Loans

KAMA Holdings Limited	337,300,000
	<u>337,300,000</u>

ANNEXURE G

KAMA HOLDINGS LIMITED

Directors shareholding in all companies which are part of the Scheme

Name of the Director	Shareholding in													
	KHL		SRFPIL		NFPL		BFPL		KRD		SWGFPL		KFPL	
	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age
Kartikya Bharat Ram@	-	0.00%	-	0.00%	1	0.10%	487	48.70%	10	0.02%	2,500	25.00%	2,500	25.00%
Mukul Khandelwal	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Ashish Bharat Ram#	-	0.00%	-	0.00%	487	48.70%	1	0.10%	10	0.02%	2,500	25.00%	2,500	25.00%
Shri Prakash Agarwal	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Amitav Virmani	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Dhirendra Datta	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Rajat Lakhanpal*	-	0.00%	21	0.00%	-	0.00%	-	0.00%	10	0.02%	-	0.00%	-	0.00%
	-	0.00%	21	0.00%	488	48.80%	488	48.80%	30	0.06%	5,000	50.00%	5,000	50.00%

@ Holding 10 equity shares in KRD jointly with SRFPIL as a nominee of SRFPIL.

Holding 10 equity shares in KRD jointly with SRFPIL as a nominee of SRFPIL.

*Holding 21 equity shares in SRFPIL jointly with KHL as a nominee of KHL and 10 equity shares in KRD jointly with SRFPIL as a nominee of SRFPIL.

KHL stands for KAMA Holdings Limited; SRFPIL stands for SRF Polymers Investments Limited; NFPL stands for Narmada Farms Private Limited; BFPL stands for Bhalray Farms Private Limited; KRD stands for KAMA Realty (Delhi) Limited; SWGFPL stands for Srishri Westend Greens Farms Private Limited; KFPL stands for Kam Farms Private Limited

ANNEXURE G (....continued)

SRF POLYMERS INVESTMENTS LIMITED

Directors shareholding in all companies which are part of the Scheme

Name of the Director	Shareholding in													
	KHL		SRFPIL		NFPL		BFPL		KRD		SWGFPL		KFPL	
	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age
R M Rajgopal	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
K Ravichandra	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Ashish Bharat Ram#	-	0.00%	-	0.00%	487	48.70%	1	0.10%	10	0.02%	2,500	25.00%	2,500	25.00%
Ekta Maheshwari	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Dhirendra Datta	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Rajat Lakhanpal*	-	0.00%	21	0.00%	-	0.00%	-	0.00%	10	0.02%	-	0.00%	-	0.00%
	-	0.00%	21	0.00%	487	48.70%	1	0.10%	20	0.04%	2,500	25.00%	2,500	25.00%

#Holding 10 equity shares in KRD jointly with SRFPIL as a nominee of SRFPIL.

*Holding 21 equity shares in SRFPIL jointly with KHL as a nominee of KHL and 10 equity shares in KRD jointly with SRFPIL as a nominee of SRFPIL.

KHL stands for KAMA Holdings Limited; SRFPIL stands for SRF Polymers Investments Limited; NFPL stands for Narmada Farms Private Limited; BFPL stands for Bhalray Farms Private Limited; KRD stands for KAMA Realty (Delhi) Limited; SWGFPL stands for Srishri Westend Greens Farms Private Limited; KFPL stands for Kam Farms Private Limited

ANNEXURE G (....continued)
NARMADA FARMS PRIVATE LIMITED

Directors shareholding in all companies which are part of the Scheme

Name of the Director	Shareholding in													
	KHL		SRFPIL		NFPL		BFPL		KRDL		SWGFPIL		KFPL	
	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age
R.M Rajgopal	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Manju Bharat Ram	-	0.00%	-	0.00%	499	49.90%	499	49.90%	-	0.00%	5,000	50.00%	5,000	50.00%
Ashish Bharat Ram#	-	0.00%	-	0.00%	487	48.70%	1	0.10%	10	0.02%	2,500	25.00%	2,500	25.00%
Kartikaya Bharat Ram@	-	0.00%	-	0.00%	1	0.10%	487	48.70%	10	0.02%	2,500	25.00%	2,500	25.00%
Viney Kumar Dua	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Lok Nath Sood	-	0.00%	-	0.00%	10	1.00%	10	1.00%	-	0.00%	-	0.00%	-	0.00%
Dalip Kumar Dey	-	0.00%	-	0.00%	1	0.10%	1	0.10%	-	0.00%	-	0.00%	-	0.00%
	-	0.00%	-	0.00%	998	99.80%	998	99.80%	20	0.04%	10,000	100.00%	10,000	100.00%

Holding 10 equity shares in KRDL jointly with SRFPIL as a nominee of SRFPIL.
 @ Holding 10 equity shares in KRDL jointly with SRFPIL as a nominee of SRFPIL.

KHL stands for KAMA Holdings Limited; SRFPIL stands for SRF Polymers Investments Limited; NFPL stands for Narmada Farms Private Limited; BFPL stands for Bhairav Farms Private Limited; KRDL stands for KAMA Realty (Delhi) Limited; SWGFPIL stands for Srishti Westend Greens Farms Private Limited; KFPL stands for Karm Farms Private Limited

ANNEXURE G (....continued)
BHAIRAV FARMS PRIVATE LIMITED

Directors shareholding in all companies which are part of the Scheme

Name of the Director	Shareholding in													
	KHL		SRFPIL		NFPL		BFPL		KRDL		SWGFPIL		KFPL	
	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age
R M Rajgopal	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Manju Bharat Ram	-	0.00%	-	0.00%	499	49.90%	499	49.90%	-	0.00%	5,000	50.00%	5,000	50.00%
Ashish Bharat Ram#	-	0.00%	-	0.00%	487	48.70%	1	0.10%	10	0.02%	2,500	25.00%	2,500	25.00%
Kartikaya Bharat Ram@	-	0.00%	-	0.00%	1	0.10%	487	48.70%	10	0.02%	2,500	25.00%	2,500	25.00%
Viney Kumar Dua	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Lok Nath Sood	-	0.00%	-	0.00%	10	1.00%	10	1.00%	-	0.00%	-	0.00%	-	0.00%
Dalip Kumar Dey	-	0.00%	-	0.00%	1	0.10%	1	0.10%	-	0.00%	-	0.00%	-	0.00%
	-	0.00%	-	0.00%	998	99.80%	998	99.80%	20	0.04%	10,000	100.00%	10,000	100.00%

Holding 10 equity shares in KRDL jointly with SRFPIL as a nominee of SRFPIL.
 @ Holding 10 equity shares in KRDL jointly with SRFPIL as a nominee of SRFPIL.

KHL stands for KAMA Holdings Limited; SRFPIL stands for SRF Polymers Investments Limited; NFPL stands for Narmada Farms Private Limited; BFPL stands for Bhairav Farms Private Limited; KRDL stands for KAMA Realty (Delhi) Limited; SWGFPIL stands for Srishti Westend Greens Farms Private Limited; KFPL stands for Karm Farms Private Limited

ANNEXURE G (....continued)
KAMA REALTY (DELHI) LIMITED

Directors shareholding in all companies which are part of the Scheme

Name of the Director	Shareholding in													
	KHL		SRFPIL		NFPL		BFPL		KRDL		SWGFPIL		KFPL	
	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age
Rajendra Prasad^	-	0.00%	-	0.00%	-	0.00%	-	0.00%	10	0.02%	-	0.00%	-	0.00%
Viney Kumar Dua	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Ashish Bharat Ram#	-	0.00%	-	0.00%	487	48.70%	1	0.10%	10	0.02%	2,500	25.00%	2,500	25.00%
Kartikeya Bharat Ram@	-	0.00%	-	0.00%	1	0.10%	487	48.70%	10	0.02%	2,500	25.00%	2,500	25.00%
	-	0.00%	-	0.00%	488	48.80%	488	48.80%	30	0.06%	5,000	50.00%	5,000	50.00%

^ Holding 10 equity shares in KRDL jointly with SRFPIL as a nominee of SRFPIL.

Holding 10 equity shares in KRDL jointly with SRFPIL as a nominee of SRFPIL.

@ Holding 10 equity shares in KRDL jointly with SRFPIL as a nominee of SRFPIL.

KHL stands for KAMA Holdings Limited; SRFPIL stands for SRF Polymers Investments Limited; NFPL stands for Narmada Farms Private Limited; BFPL stands for Bhalrav Farms Private Limited; KRDL stands for KAMA Realty (Delhi) Limited; SWGFPL stands for Srishti Westend Greens Farms Private Limited; KFPL stands for Karm Farms Private Limited

ANNEXURE G (....continued)
SRISHTI WESTEND GREENS FARMS PRIVATE LIMITED

Directors shareholding in all companies which are part of the Scheme

Name of the Director	Shareholding in													
	KHL		SRFPIL		NFPL		BFPL		KRDL		SWGFPIL		KFPL	
	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age
Manju Bharat Ram	-	0.00%	-	0.00%	499	49.90%	499	49.90%	-	0.00%	5,000	50.00%	5,000	50.00%
Ashish Bharat Ram#	-	0.00%	-	0.00%	487	48.70%	1	0.10%	10	0.02%	2,500	25.00%	2,500	25.00%
Kartikeya Bharat Ram@	-	0.00%	-	0.00%	1	0.10%	487	48.70%	10	0.02%	2,500	25.00%	2,500	25.00%
	-	0.00%	-	0.00%	987	98.70%	987	98.70%	20	0.04%	10,000	100.00%	10,000	100.00%

Holding 10 equity shares in KRDL jointly with SRFPIL as a nominee of SRFPIL.

@ Holding 10 equity shares in KRDL jointly with SRFPIL as a nominee of SRFPIL.

KHL stands for KAMA Holdings Limited; SRFPIL stands for SRF Polymers Investments Limited; NFPL stands for Narmada Farms Private Limited; BFPL stands for Bhalrav Farms Private Limited; KRDL stands for KAMA Realty (Delhi) Limited; SWGFPL stands for Srishti Westend Greens Farms Private Limited; KFPL stands for Karm Farms Private Limited

ANNEXURE G (....continued)
KARM FARMS PRIVATE LIMITED

Directors shareholding in all companies which are part of the Scheme

Name of the Director	Shareholding in													
	KHL		SRFPIL		NFPL		BFPL		KRDL		SWGFPIL		KFPL	
	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age	Nos.	%age
Manju Bharat Ram	-	0.00%	-	0.00%	499	49.90%	499	49.90%	-	0.00%	5,000	50.00%	5,000	50.00%
Ashish Bharat Ram#	-	0.00%	-	0.00%	487	48.70%	1	0.10%	10	0.02%	2,500	25.00%	2,500	25.00%
Kartikeya Bharat Ram@	-	0.00%	-	0.00%	1	0.10%	487	48.70%	10	0.02%	2,500	25.00%	2,500	25.00%
	-	0.00%	-	0.00%	987	98.70%	987	98.70%	20	0.04%	10,000	100.00%	10,000	100.00%

Holding 10 equity shares in KRDL jointly with SRFPIL as a nominee of SRFPIL.

@ Holding 10 equity shares in KRDL jointly with SRFPIL as a nominee of SRFPIL.

KHL stands for KAMA Holdings Limited; SRFPIL stands for SRF Polymers Investments Limited; NFPL stands for Narmada Farms Private Limited; BFPL stands for Bhairav Farms Private Limited; KRDL stands for KAMA Realty (Delhi) Limited; SWGFPIL stands for Srishti Westend Greens Farms Private Limited; KFPL stands for Karm Farms Private Limited

Schedule-II

Schedule of assets and liabilities of residual Transferor Company No. 1

Particulars	Book value (in Rs.)	Transfer value (in Rs.)
Investments		
490000 Equity shares of SRF Ltd.	1,37,20,000	9,40,01,600
2419124 Equity shares of KAMA Holdings Ltd.*	13,94,28,463	2,41,91,240
Current Assets, Loans & Advances		
Cash & Bank balances	297,621	297,621
Loans & Advances	3,08,20,910	3,08,20,910
Total Assets (A)	18,42,66,994	14,93,11,371
Less:		
Current Liabilities & Provisions		
Current Liabilities	3,10,05,000	3,10,05,000
Unsecured Loans	2,84,50,000	2,84,50,000
Total Liabilities (B)	5,94,55,000	5,94,55,000

Details Loans & Advances

Particulars	Amount (in Rs.)
KAMA Holdings Ltd.	2,87,35,855
Income Tax Recoverable (net of provision)	20,85,055
Total	3,08,20,910

Details of Current Liabilities

Particulars	Amount (in Rs.)
Due to Real Estate Division of Narmada Farms Pvt. Ltd. being transferred to Srishti Westend Greens Farms Pvt. Ltd.	3,10,00,000
Other Liabilities	5,000
Total	3,10,05,000

Details of Unsecured Loans

Particulars	Amount (in Rs.)
From Directors/Shareholders	2,84,50,000
Total	2,84,50,000

*These 2419124 Equity shares of KAMA Holdings Ltd. (Transferee Company No. 4) held by the residual Transferor Company No. 1 will be cancelled and equivalent number of shares, i.e., 2419124 Equity shares will be issued by KAMA Holdings Ltd. (Transferee Company No. 4) to the shareholders of Transferor Company No. 1.

Schedule of assets and liabilities of residual Transferor Company No. 2

Particulars	Book value (in Rs.)	Transfer value (in Rs.)
Investments		
490000 Equity shares of SRF Ltd.	1,37,20,000	9,40,01,600
2419125 Equity shares of KAMA Holdings Ltd.*	14,29,26,256	2,41,91,250
Current Assets, Loans & Advances		
Cash & Bank balances	7,647	7,647
Loans & Advances	2,52,24,805	2,52,24,805
Total Assets (A)	18,18,78,709	14,34,25,302
Less:		
Current Liabilities & Provisions		
Current Liabilities	3,10,05,000	3,10,05,000
Unsecured Loans	2,47,00,000	2,47,00,000
Total Liabilities (B)	5,57,05,000	5,57,05,000

Details Loans & Advances

Particulars	Amount (in Rs.)
KAMA Holdings Ltd.	2,34,30,911
Income Tax Recoverable (net of provision)	17,93,894
Total	2,52,24,805

Details of Current Liabilities

Particulars	Amount (in Rs.)
Due to Real Estate Division of Bhairav Farms Pvt. Ltd. being transferred to Karm Farms Pvt. Ltd.	3,10,00,000
Other Liabilities	5,000
Total	3,10,05,000

Details of Unsecured Loans

Particulars	Amount (in Rs.)
From Directors/Shareholders	2,47,00,000
Total	2,47,00,000

*These 2419125 Equity shares of KAMA Holdings Ltd. (Transferee Company No. 4) held by the residual Transferor Company No. 2 will be cancelled and equivalent number of shares, i.e., 2419125 Equity shares will be issued by KAMA Holdings Ltd. (Transferee Company No. 4) to the shareholders of Transferor Company No. 2.

Schedule of assets and liabilities of residual Transferor Company No. 3

Particulars	Book value (in Rs.)	Transfer value (in Rs.)
Investments		
16728076 Equity shares of SRF Ltd.	1,29,95,75,460	3,20,91,14,100
50000 Equity shares of KAMA Realty(Delhi)Ltd.	5,00,000	5,00,000
Current Assets, Loans & Advances		
Cash & Bank balances	77,85,952	77,85,952
Total Assets (A)	1,30,78,61,412	3,21,74,00,052
Less:		
Current Liabilities & Provisions		
Current Liabilities	36,03,053	36,03,053
Secured Loans	42,15,90,139	42,15,90,139
Unsecured Loans	33,73,00,000	33,73,00,000
Total Liabilities (B)	76,24,93,192	76,24,93,192

Details of Current Liabilities

Particulars	Amount (in Rs.)
Other liabilities	36,03,053
Total	36,03,053

Details of Secured Loans

Particulars	Amount (in Rs.)
Citibank N.A.	7,15,90,139
Kotak Mahindra Prime Ltd.	25,00,00,000
Aditya Birla Finance Ltd.	10,00,00,000
Total	42,15,90,139

Details of Unsecured Loans

Particulars	Amount (in Rs.)
KAMA Holdings Ltd.	33,73,00,000
Total	33,73,00,000

Schedule of assets and liabilities of Transferor Company No. 1 relating to real estate division

Particulars	Book value (in Rs.)	Transfer value (in Rs.)
Fixed Assets		
Gross Block	46,65,216	46,65,216
Less: Depreciation	<u>13,52,707</u>	<u>13,52,707</u>
Net Block	33,12,509	33,12,509
Current Assets, Loans & Advances		
Loans & Advances	3,10,18,645	3,10,18,645
Total Assets (A)	3,43,31,154	3,43,31,154
Less:		
Current Liabilities & Provisions		
Current Liabilities	3,10,00,000	3,10,00,000
Total Liabilities (B)	3,10,00,000	3,10,00,000

Details of Fixed Assets

All piece and parcel of the total land of the Farm House admeasuring 12 Bighas situated at Village Rajokari, Tehsil Mehrauli, New Delhi alongwith its structure/building constructed thereon and bounded as under with following details:

East: Farm House No. 1, Silver Oak Avenue, Westend Green Farms (old no. 53) of Bhairav Farms Pvt. Ltd.

West: Farm House of Tapti Farms Pvt. Ltd.

North: Nala

South: Road and Main Entrance/Gate of the said Farm House

Khasra No.	Bighas	Biswas
326	0	15
327	1	2
328	1	1
330	3	17
331	3	2
332	2	3

Details Loans & Advances

Particulars	Amount (in Rs.)
Advance to Investment Division of Narmada Farms Pvt. Ltd. being transferred to KAMA Holdings Ltd	3,10,00,000
Security Deposit with Delhi Vidyut Board	18,645
Total	3,10,18,645

Details of Current Liabilities

Particulars	Amount (in Rs.)
Security Deposit from SRF Ltd.	3,10,00,000
Total	3,10,00,000

Schedule of assets and liabilities of Transferor Company No. 2 relating to real estate division

Particulars	Book value (in Rs.)	Transfer value (in Rs.)
Fixed Assets		
Gross Block	55,03,140	55,03,140
Less: Depreciation	<u>22,06,185</u>	<u>22,06,185</u>
Net Block	32,96,955	32,96,955
Current Assets, Loans & Advances		
Loans & Advances	3,10,18,645	3,10,18,645
Total Assets (A)	3,43,15,600	3,43,15,600
Less:		
Current Liabilities & Provisions		
Current Liabilities	3,10,00,000	3,10,00,000
Total Liabilities (B)	3,10,00,000	3,10,00,000

Details of Fixed Assets

All piece and parcel of the total land of the Farm House admeasuring 12 Bighas situated at Village Rajokari, Tehsil Mehrauli, New Delhi alongwith its fixtures and structure/building constructed thereon and bounded as under with following details:

East: Road

West: Farm House No. 2, Silver Oak Avenue, Westend Green Farms (old no. 54) of Narmada Farms Pvt. Ltd.

North: Nala

South: Road and Main Entrance/Gate of the said Farm House

Khasra No.	Bighas	Biswas
316/2	1	17
317/1	1	13
317/2	1	7
326	2	12
327	3	11
328	1	0

Details Loans & Advances

Particulars	Amount (in Rs.)
Advance to Investment Division of Bhairav Farms Pvt. Ltd. being transferred to KAMA Holdings Ltd	3,10,00,000
Security Deposit with Delhi Vidyut Board	18,645
Total	3,10,18,645

Details of Current Liabilities

Particulars	Amount (in Rs.)
Security Deposit from SRF Ltd.	3,10,00,000
Total	3,10,00,000

Schedule of assets and liabilities of Transferor Company No. 3 relating to real estate division

Particulars	Book value (in Rs.)	Transfer value (in Rs.)
Fixed Assets		
Gross Block	24,02,61,062	24,02,61,062
Less: Depreciation	<u>1,72,85,169</u>	<u>1,72,85,169</u>
Net Block	22,29,75,893	22,29,75,893
Deferred Tax Assets	44,28,462	44,28,462
Current Assets, Loans & Advances		
Loans & Advances	4,53,78,834	4,53,78,834
Total Assets (A)	27,27,83,189	27,27,83,189
Less:		
Current Liabilities & Provisions		
Current Liabilities	3,00,00,000	3,00,00,000
Secured Loans	20,04,33,775	20,04,33,775
Total Liabilities (B)	23,04,33,775	23,04,33,775

Details of Fixed Assets

All that Office Space on 1st, 2nd and 3rd floor and main atrium space on the Ground Floor, measuring and having super built-up area of 50,475 square feet (4689.24 square meters) situated at UNITECH CREST, Block-C, Sector-45, Greenwoods City, in the revenue estate of Village Jharsa, Tehsil & District Gurgaon, Haryana alongwith:

- (i) exclusive right to use 71 (seventy one) number of identified Car Parking space, 61 (sixty one) number covered and 10 (ten) open car parking space in the said complex;
- (ii) proportionate, undivided, impartible share and interest in the Said Land (in proportion to the super area purchased by the VENDEE) on which the said complex is constructed;
- (iii) right to use the open area, common areas and common amenities and facilities to be provided in the said complex and all manner of rights, privileges, easements, advantages, appendages and appurtenances whatsoever or howsoever;
- (iv) exclusive right to develop and use as terrace garden apprx. 5630 sq. ft. at the terrace of the said complex without any hindrance from other owners of the said complex (subject to access and usage of the terrace by the other owners/ occupants/ maintenance agency to carry out routine maintenance works only); and
- (v) exclusive right to use the elevators provided in the said complex.

*Land comprises land admeasuring 0.946 acres and VENDEE comprises the 3rd Transferor company, i.e., SRF Polymers Investments Ltd.

Details Loans & Advances

Particulars	Amount (in Rs.)
Loan to KAMA Realty (Delhi) Ltd.	3,14,23,150
Prepaid Expenses	50,764
Income Tax Recoverable (net of provision)	1,39,04,920
Total	4,53,78,834

Details of Current Liabilities

Particulars	Amount (in Rs.)
Security Deposit from SRF Ltd.	3,00,00,000
Loan from Citibank N.A.	20,04,33,775
Total	23,04,33,775

Dated this the 24th February, 2011
By order of the Court

sd/-
Joint Registrar (Co.)
for Registrar General