

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, महाराष्ट्र, मुंबई

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L27100MH1999PLC121285

मैसर्स Mahindra Forgings Limited

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
Mahindra Forgings Limited

जो मूल रूप में दिनांक तेरह अगस्त उन्नीस सौ निन्यानवे को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स
Mahindra Automotive Steels 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 सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि 507 (अ) दिनांक 24.6.1985 एस्. आर्. एन्. B89738736 दिनांक 27/11/2013 के द्वारा प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स
Mahindra CIE Automotive Limited

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

यह प्रमाण-पत्र मुंबई में आज दिनांक सत्ताईस नवम्बर दो हजार तेरह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Maharashtra, Mumbai

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L27100MH1999PLC121285

In the matter of M/s Mahindra Forgings Limited

I hereby certify that Mahindra Forgings Limited which was originally incorporated on Thirteenth day of August Nineteen Hundred Ninety Nine under the Companies Act, 1956 (No. 1 of 1956) as Mahindra Automotive Steels 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 24/06/1985 vide SRN B89738736 dated 27/11/2013 the name of the said company is this day changed to Mahindra CIE Automotive Limited and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given at Mumbai this Twenty Seventh day of November Two Thousand Thirteen.

Registrar of Companies, Maharashtra, Mumbai

कम्पनी रजिस्ट्रार, महाराष्ट्र, मुंबई

*Note: The corresponding form has been approved by RAJENDER SINGH MEENA, Deputy Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.

The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

Mahindra CIE Automotive Limited
MAHINDRA TOWERS, P.K.KURNE CHOWK, WORLI,, MUMBAI - 400018,
Maharashtra, INDIA



GOVERNMENT OF INDIA

MINISTRY OF COMPANY AFFAIRS

Maharashtra, Mumbai

Everest, 100, Marine Road, Mumbai - 400002, Maharashtra, INDIA

Corporate Identity Number : U27100MH1999PLC121285

Fresh Certificate of Incorporation Consequent upon Change of Name

IN THE MATTER OF M/s MAHINDRA AUTOMOTIVE STEELS LIMITED

I hereby certify that MAHINDRA AUTOMOTIVE STEELS LIMITED which was originally incorporated on THIRTEENTH day of AUGUST NINETEEN NINETY NINE under the Companies Act, 1956 (No. 1 of 1956) as MAHINDRA AUTOMOTIVE STEELS 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 24/06/1985 vide SRN A03892346 dated 26/09/2006 the name of the said company is this day changed to Mahindra Forgings Limited and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Mumbai this TWENTY SIXTH day of SEPTEMBER TWO THOUSAND SIX.

(MILIND VITTHALRAO CHAKRANARAYAN)



MV
DY. Registrar of Companies
Maharashtra, Mumbai

No. 11 : 121285

CERTIFICATE OF CHANGE OF NAME UNDER THE COMPANIES ACT, 1956.

In the matter of

MAHINDRA AUTOMOTIVE STEELS PRIVATE LIMITED

I do hereby certify that pursuant to the provisions of section 23 of Companies Act, 1956 and the Special Resolution passed under Sec. 31/44 of the Companies Act by the Company at its ~~Annual~~ Extra-Ordinary General Meeting held on 24/03/2006

the name of " MAHINDRA AUTOMOTIVE STEELS PRIVATE LIMITED "

has this day been changed to " MAHINDRA AUTOMOTIVE STEELS LIMITED "

and that the said company has been duly incorporated as a company under the provisions of the said Act.

Dated this FOURTH day of APRIL 2006.

~~one thousand nine hundred and ninety~~



(A. S. SINGH)
Asstt. Registrar of Companies
Maharashtra Mumbai.

No. 11—121285

(Section 18(1) of the Companies Act, 1956)

**CERTIFICATE OF REGISTRATION OF
SPECIAL RESOLUTION PASSED FOR
ALTERATION OF OBJECTS**

M/s. MAHINDRA AUTOMOTIVE STEELS PRIVATE LIMITED

having by Special Resolution passed on 19th April 2005

altered the provisions of its Memorandum of Association with respect to its objects, and a copy of the said resolution having been filed with this office on 13th May 2005

I hereby certify that the Special Resolution passed on 19/04/05 together with the printed copy of the Memorandum of Association, as altered, has this days been registered.

Given under my hand at MUMBAI

this 20th day of MAY

Two thousand 2005



S.P. Chugha

(S.P. CHUGHA)

ASSTT/ADDL/REGISTRAR OF COMPANIES,
MAHARASHTRA, MUMBAI.



सत्यमेव जयते

CO.NO.11-121285

कारबार प्रारम्भ करने के लिए प्रमाण-पत्र
Certificate for Commencement of Business
कम्पनी अधिनियम, 1956 की धारा 149 (3) के अनुसार
Pursuant of Section 149 (3) of the Companies Act, 1956

मैं एतद्वारा प्रमाणित करता हूँ कि

जो कम्पनी अधिनियम, 1956 के अधीन तारीख को निर्धारित की गई थी और जिसने आज विहित प्रारूप में सम्यक् रूप से सत्यापित घोषणा फाइल कर दी है कि उक्त अधिनियम की धारा 149 (1) (क) से लेकर (घ) तक/149 (2) (क) से लेकर (ग) तक की शर्तों का अनुपालन किया गया है, कारबार प्रारम्भ करने की इच्छा है।

I hereby certify that the MAHINDRA AUTOMOTIVE STEELS LIMITED

which was incorporated under the Companies Act, 1956, on the THIRTEENTH day of AUGUST 19 99, and which has this day filed a duly verified declaration in the prescribed form that the conditions of Section 149 (1) (a) to (d)/149(2) (a) to (c) of the said Act, have been complied with is entitled to commence business.

मेरे हस्ताक्षर से यह तारीख को में दिया गया।

Given under my hand at MUMBAI
this FIFTH day of OCTOBER One thousand nine hundred and NINETY NINE



V. C. Davey
(V.C. DAVEY)
कम्पनियों का रजिस्ट्रार
Registrar of Companies
Maharashtra, Mumbai.



पाल्प. आर्. आर्.
Form I.R.

निगमन एव प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

ता. _____ की सं. _____
No. 11-121285 of Date 1999

मैं एतद्द्वारा प्रमाणित करता हूँ कि आज _____

कम्पनी अधिनियम (1956 का सं. 1) के अधीन विगमित की गई है और कम्पनी परिरीक्षित है।

I hereby certify that MAHINDRA AUTOMOTIVE STEELS LIMITED

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

मेरे हस्ताक्षर से आज ता. _____ को दिया गया।

Given under my hand at MUMBAI this THIRTEENTH

day of AUGUST One thousand nine hundred and NINTYNINE.



V. C. Davey
(V.C. DAVEY)
कम्पनियों का रजिस्ट्रार
DEPUTY Registrar of Companies
Maharashtra, Mumbai

J. P. M. 1
J. S. C. 1
11/12/99 एच. एच. / 11/12/99/11-121285-1-1-99-11/12/99
11/12/99/11/12/99/11-121285-1-1-99-11/12/99

No. 11 : 121285

CERTIFICATE OF CHANGE OF NAME UNDER THE COMPANIES ACT, 1956.

In the matter of

MAHINDRA AUTOMOTIVE STEELS PRIVATE LIMITED

I do hereby certify that pursuant to the provisions of section 23 of Companies Act, 1956 and the Special Resolution passed under Sec. 31/44 of the Companies Act by the Company at its ~~Annual~~ Extra-Ordinary General Meeting held on 24/03/2006

the name of " MAHINDRA AUTOMOTIVE STEELS PRIVATE LIMITED "

has this day been changed to " MAHINDRA AUTOMOTIVE STEELS LIMITED "

and that the said company has been duly incorporated as a company under the provisions of the said Act.

Dated this FOURTH day of APRIL 2006.

~~one thousand nine hundred and ninety~~



(A. S. SINGH)
Asstt. Registrar of Companies
Maharashtra Mumbai.

GOVERNMENT OF INDIA

MINISTRY OF COMPANY AFFAIRS

Maharashtra, Mumbai

Everest , 100, Marine Road, , Mumbai - 400002, Maharashtra, INDIA

Corporate Identity Number : U27100MH1999PLC121285

Fresh Certificate of Incorporation Consequent upon Change of Name

IN THE MATTER OF M/s MAHINDRA AUTOMOTIVE STEELS LIMITED

I hereby certify that MAHINDRA AUTOMOTIVE STEELS LIMITED which was originally incorporated on THIRTEENTH day of AUGUST NINETEEN NINETY NINE under the Companies Act, 1956 (No. 1 of 1956) as MAHINDRA AUTOMOTIVE STEELS 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 24/06/1985 vide SRN A03892346 dated 26/09/2006 the name of the said company is this day changed to Mahindra Forgings Limited and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Mumbai this TWENTY SIXTH day of SEPTEMBER TWO THOUSAND SIX.

(MILIND VITTHALRAO CHAKRANARAYAN)



MV
DY. Registrar of Companies
Maharashtra, Mumbai

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
MAHINDRA CIE AUTOMOTIVE LIMITED

- I. The name of the Company is **MAHINDRA CIE AUTOMOTIVE LIMITED**.
- II. The registered office of the Company will be situated in the State of Maharashtra.
- III. The objects for which the Company is established are:
- A. **THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
- (1) To carry on business as manufacturers of dealers in and marketing, selling of special steel rolled and forged long products, heavy castings, forgings and assembled components, all grades, types qualities, shapes, categories, and descriptions of Mild and tool, alloy and special steels including, *inter-alia*, alloy constructional steel, case hardening steel, nitriding steel, high speed steel, ball bearing steel, fast-cutting steel, hot die steel, die steel, alloy spring steel, stainless and heat resisting steel, carbon tool steel, polished drill rods, silver steel, mining drill steel, high silicon and electrical steel, creep-resisting steel, valve steel, magnet steel, silicon manganese steel and tree cutting quality steel, faggot steel, armour steel, shell steel and high tensile steel.
- (2) To carry on business as manufacturers of, dealers in and sellers of cold drawn and ground bars and sections, polished steel, silver steel, bright bars and shaftings, ball and roller races, wheels, tyres and axles of all kinds, types and descriptions whatsoever, welded, seamless and extruded ferrous and non-ferrous tubes, including, *inter alia*, mechanical tubing, stainless steel tubing, boiler tubing, fin tubing, ball bearing steel tubes, extruded ferrous and non-ferrous sections and profiles of all types and shapes including hollow and solid sections, steel castings of all types and varieties, forgings, including *inter alia*, die blocks, rings, discs hubs, sleeves, shafts, crown wheels, cups, shanks, bolts, nuts, screws, stampings, rivets, wire ropes, stranded wire, signal wire, piano wire, blanks, manganese alloys, pig iron, wrought iron, ferro-manganese, ferro-chromium, ferro silicon, silico-manganese, ferro-tungsten, ferro-vanadium, ferro-titanium, ferro-molybdenum, spiegel iron, graphite electrodes, carbon electrodes, carbon blocks, calcium carbide, carborundum tungsten carbide tips, refractory bricks of any kind, type and description whatsoever, permanent magnets and to carry on the manufacture, preparation, selling and distribution of any electrometallurgical, electro chemical products which may be usefully or conveniently combined with the business of the Company or otherwise calculated, directly or indirectly, to enhance the value of any of the Company's properties and rights for the time being.

- (3) To carry on the business of mechanical, electrical, railway, marine, aeronautical, agricultural, sanitary, civil and structural engineers, aluminium founders, iron founders, brass founders, casters, spinners, rollers and workers of metals and their alloys, founders of metals whether ferrous or non-ferrous, welded by any process whatsoever of ferrous and non-ferrous metals and metal compounds, manufacturers of welding appliances, tool makers, metal workers, boiler makers, mill wrights, machinists, manufacturers of aluminium, magnesium, calcium, sodium, copper, brass, bronze, cobalt, titanium, zirconium, nickel and other metals and their alloys of all kinds and descriptions, tools and implements, sheets, that could be manufactured out of aluminium, iron, steel, brass, zinc, copper or any other kind of metals, converters of iron and steel and other metals, smiths, tin manufacturers and tinkers, wheel wrights, wood workers, builders, painters, metallurgists, water-supply engineers, gas makers, framers, nailers, brushers, electro-platers, silver-platers, nickel-platers, aluminium-platers, importers, exporters and distributors of all kinds of plant and machinery, apparatus, tools, component parts, accessories, and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in all kind of metals, machinery, implements, tools accessories, hardware of all kinds and things necessary or convenient for carrying on the business.

B. OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS:

- (4) To manufacture and deal in heavy and light engineering products of ferrous and non-ferrous metals and to carry on the business of mechanical engineers and manufacturers, dealers, importers, exporters, assemblers, factors, builders, repairers and contractors of vehicles of all kinds, locomotives and rolling stocks of all descriptions, boilers, steam engines, internal combustion machines, tractors, trailers, motor cars, engines, locomotives, boats, aeroplanes, gears, gear units, gear cutting machines, tools, castings, hydraulic machines, armaments, ball bearings, roller and tapers types and components and parts thereof, machine tools and machinery of all other descriptions and builders of carriages, cars carte and wagons and other vehicles and machinery of all types and to carry on generally the business of builders, contractors, surveyors, estimators and designers in all their respective branches.
- (5) To establish, subsidise, assist and/or promote any other company for carrying into effect any of the objects of this Company and to take or otherwise acquire and hold shares in any such company and generally in companies, the business of which is capable of being conducted so as directly or indirectly to benefit this Company.
- (6) Generally, to acquire, purchase, take on lease or in exchange, hire or otherwise acquire in India or else where any movable or immovable property, and rights or privileges which the Company may think necessary or convenient for the purpose of its business or otherwise and in particular any land, building, hereditaments of any tenure or description and estate in interest therein and any rights connected with the same and easements, machinery, plant and stock-in-trade.
- (7) To purchase, takeover, acquire, undertake the whole or any part/ division, assets and/or liabilities or any of the business, partnership firm, Company carrying on any business/operation which is similar to the existing business/operation of the Company and /or necessary or

convenient for the purpose of carrying existing business/operation economically and efficiently and to pay for the same by way of cash or otherwise by issue of any or all types of Shares/Debentures and/or any other instrument.

- (8) To enter into partnership or into any arrangements for sharing profits, amalgamation, union of interest, company-operation, joint venture, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction on which this Company is authorised to carry on or engage in or any business, undertaking or transaction which may seem capable of being conducted so as directly or indirectly to benefit this Company, or to amalgamate with any other company having altogether or in part, objects similar to those of this Company, and to lend money, to guarantee the contracts of or otherwise acquire or to be interested in, hold, sell, deal in and dispose of shares, stock, debentures, other securities of any such company.
- (9) To enter into any arrangements with any governments or state or authority, supreme, municipal, local or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such governments or state or authority, any rights and privileges and concessions which the Company may think it desirable to obtain and to carry out and to comply with any such arrangements and to exercise, dispose of, or otherwise turn to account any such rights, privileges and concessions.
- (10) To apply for, purchase or by any other means acquire and protect, prolong and renew, whether in India or elsewhere, any trade marks, patents, patent-rights, brevets d'invention, licenses, protections, concessions, and the like conferring any exclusive or non-exclusive or limited right to use any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or which may appear likely to be advantageous or useful to the Company and to use, exercise, develop, turn to account and manufacture and to obtain any licenses in respect of the same and to grant licenses or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patents, inventions, secrets or rights, which the Company may acquire or propose to acquire or being interested in as licensees or otherwise and to manufacture and produce and trade and deal in all machinery, plant, articles, appliances, and things capable of being manufactured, produced or traded in, by virtue of or in connection with any such inventions, processes, letters, patents, brevets d'inventions, licenses, concessions, rights and privileges as aforesaid.
- (11) To grant pensions or gratuity and to establish and support, or aid in the establishment of associations, institutions, funds, trusts and conveniences, calculated to benefit any employee, including Managing Directors, Technical Director, Managers and any other Directors, ex-Directors, employees, or ex-employees of the Company or of any subsidiary, associated or allied companies, or the relations dependents or connections of such employees or ex-employees, and also to provide for such persons by building, or contributing to the building of houses, dwellings or chawls or by granting money, pensions, allowances, bonus or other payment, or by creating and from time to time subscribing, contributing towards places of institutions and recreations, hospitals,

dispensaries, medical and other attendants and other assistance as the Company shall think fit and to subscribe or otherwise to assist or to grant money charitable, benevolent, religious, scientific, national, political or other institution or object which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or public general utility or otherwise, and to support and subscribe for, or contribute to any funds of any party, political, trade, commerce and industry, provided such contribution is likely to be advantageous to or advantages and furtherance of the business carried on by this Company.

- (12) To aid, pecuniarily or otherwise any association body or movement having for its objects the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade.
- (13) To establish, support, join or become a member of, either directly or through nominees, any Company, association, institution or fund for the promotion of exports or for the promotion of any other object of national, general, industrial, commercial, or particular interest or utility and for this purpose to enter into such commitments, undertakings, indemnities, guarantees, assurances, insurance's or arrangements for the sharing or distribution of liabilities, assets or interests as may seem appropriate.
- (14) To enter into any contract, agreement, arrangement or other dealings in the nature of technical collaborations or otherwise for the efficient conduct of the Company or any part thereof, and also arrange by purchase or otherwise the supply of machinery from any part of the world on credit or for cash or on deferred payment terms.
- (15) To sub-let all or any contracts from time to time and upon such terms and conditions as may be thought expedient.
- (16) To make advances for the purchase of raw materials, goods, machinery, stores and other articles required for the purchases of the Company or deemed expedient with or without security of whatsoever nature and kind.
- (17) To receive fixed or other deposit not withdrawable by cheque, draft or order and to lend money or property on mortgage of immovable property or on hypothecation or pledge of movable property or without security to such person or companies and on such terms as may seem expedient and in particular to customers, and others having dealings with the Company and to guarantee the performance of contracts by any such persons or companies provided the Company shall not carry out the banking business as defined under the Banking Regulation Act, 1949.
- (18) To establish, provide, maintain and conduct or otherwise subsidise, research laboratories and experimental workshops for scientific and technical research and experiments, and to undertake and carry on all scientific and technical experiments and tests of all kinds and promote studies and research both scientific and technical investigation and invention, by providing, subsidising, endowing and assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the award of exhibition, scholarship, prizes, grants and bursaries to students or independent students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, test, inventions of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.

- (19) To open account or accounts with any individual, firm or companies or with any bank or banks, or bankers, or shroffs and to pay interest and to withdraw money from such account or accounts and to make, draw, accept, endorse, execute, discount or negotiate and issue cheques, promissory notes, bundles, bills of exchange, bills of lading, railway receipts, warrants, debentures and other negotiable or transferable instruments.
- (20) To invest and deal with the money of the Company not immediately required as may be determined by the Directors from time to time.
- (21) To apply the assets of the Company in any way in or towards establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade or commerce generally including any association, institution or fund for the protection of the interest of masters, owners, and employers against loss by bad debts, strikes, combinations, fire, accident, or otherwise or for the benefit of any clerks, workmen or others at any time employed by the Company or any of its predecessors in business or their families or dependents whether or not in common with other persons or classes of persons and in particular of friendly, cooperative and other societies, reading rooms, libraries, educational and charitable institutions, refectories, dining and recreation rooms, churches, temples, places of worship, schools and hospitals and to grant gratuities, pensions and allowances and to contribute to any funds raised by public or local subscriptions for any purpose whatsoever.
- (22) To make donations to any national memorial fund or any other fund constituted for a charitable purpose.
- (23) To create any depreciation fund, reserve fund, sinking fund, insurance fund, or any special or other fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares or for any other purposes whatsoever.
- (24) To distribute any of the property of the Company among the members in specie or kind but so that no distribution amounting to a reduction of capital may be made except with the sanction, if any, for the time being required by law.
- (25) To dedicate, present or otherwise dispose of either voluntarily or of value, any property of the Company deemed to be of national, public or local interest, to any national trust, public body, museum, corporation, or authority or any trustees for or on behalf of any of the same or of the public.
- (26) To undertake and execute any trust the undertaking whereof may seem desirable and either gratuitously or otherwise.
- (27) To take part in management, supervision, or control, of the business or operation of any company and for that purpose, to appoint and remunerate any directors, accountants, officers, technicians, experts or others.

- (28) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits, salaries or otherwise mortgage, grant licenses, easements, options and other rights in respect of and in any other manner, deal with or dispose of the undertaking of the Company or any part thereof or all or any part thereof or all or any of the assets and property for the time being of the Company and for such consideration as the Company may think fit whether in cash or in shares (fully or partly paid), debentures, debenture stocks or other interests in, or securities of any company having objects altogether or in part similar to those of the Company.
- (29) To pay all the costs, charges and expenses, preliminary and incidental to the promotion, formation, registration and establishment of the Company, and the issue of its capital, including any underwriting or other commission, brokers' fees, commission, fees for services rendered and charged in connection therewith, and also to remunerate (by cash or other assets or by the allotment of fully or partly paid shares or by a call or option on shares, debentures, debentures stocks or security of the Company or any other company or in any manner, whether out of the Company's capital or profits or otherwise), any person or firm or company for services rendered or to be rendered in introducing any property or business to the Company or in placing or assisting to place or underwriting or guaranteeing the subscription of shares, debentures, debenture stocks or other securities of the Company or in or about the formation of the Company or the conduct of its business, or for any other reason which the Company may think proper.
- (30) To place, reserve or to distribute as dividend or bonus among the members, or to otherwise apply, as the Company may from time to time think fit, any moneys received by way of premium on shares or debentures issued at a premium by the Company and any monies received in respect of dividends accrued on forfeited shares, and also any moneys arising from the sale by the Company of forfeited shares, or from unclaimed dividends.
- (31) To establish schools for or otherwise instruct people for any of the businesses the Company carries on or is entitled to deal in.
- (32) To obtain any provisional order or act of legislature for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.
- (33) To procure the Company to be recognised in any country or place outside India.
- (34) To appropriate, use or layout, land belonging to the Company for streets, parks, pleasure grounds, allotments, and other conveniences and to present any such land so laid out to the public or to any person or company or authority, conditionally or unconditionally, as the Company thinks fit.
- (35) To appoint and remunerate experts, scientists, engineers, technicians, mechanics, managers, contractors, brokers, canvassers, agents, artisans, officers, staff, workmen, artificers and other persons.

- (36) To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art of interest, or publication of books and periodicals and by granting prizes, rewards and donations.
- (37) To guarantee the payment of money, unsecured or secured by, or payable under, or in respect of, promissory notes, bonds, debentures, debenture stocks, contracts, mortgages, charges, obligation, instruments and securities of any company or any authority, supreme, municipal, local or otherwise, or of any person whomsoever, whether, incorporated or not incorporated and generally to guarantee or become sureties for the performances of any contracts or obligations.
- (38) To refer or agree to refer any claims, demands, disputes or any other question, by or against the Company, or in which the Company is interested or concerned and whether between the Company and the member or members or his or their representatives, or between the Company and the third party, to arbitration in or at any place outside India, and to observe and perform and to do all acts, deeds and things, to carry out or enforce the award.

C. OTHER OBJECTS

- (39) To carry on the business of manufacturers of and dealers in chemical products of any nature and kind whatsoever, including acids, alkalis, chlorine and chlorine derivatives, caustic soda, fluorine and fluorine derivatives, hydrogen peroxide and oxygenated products, cyanide and derivatives, manures, fertilizers, dyes, sulphur, manganese and drugs, tannins, essences, pharmaceuticals, photographic, medicinal, sizing, chemical, petrochemical, industrial and other preparations and articles of any nature and kind whatsoever, mineral and other waters, soaps, oils, paints, varnishes, compounds, drugs, dye stuffs, organic or mineral intermediates, makers of and dealers in proprietary articles of all kinds and of electrical, chemical, metallurgical, photographic, surgical goods and articles and to manufacture, refine, manipulate, import and deal in salts and marine minerals and their derivatives, by-products and compounds of any nature and kind whatsoever.
- (40) To carry on any business relating to the mining and working of minerals and production and working of metals, and products, manufacture and preparation of any other materials, which may be usefully or conveniently combined with the manufacturing business of the Company or any contract undertaken by the Company and either for the purpose only of such contracts or as an independent business and to crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate, manipulate and prepare for market ore, metals and mineral substances of all kinds and to carry on any other metallurgical operations which may seem conducive to any other Company's objects.
- (41) To produce, manufacture, purchase, process, alter, modify, import, export, sell and deal in plant, equipment and machinery required by the iron & steel industry, ferro-alloy industries, electro-metallurgical and electro-chemical industries and in connection therewith to acquire, erect, construct, establish, operate and maintain factories, workshops etc.

- (42) To erect, set up, construct, work, manage, superintend, maintain, equip, improve or alter, or assist in the erection, construction, working, maintenance, improvement or alteration in India or elsewhere of any mills, factories, plant, machinery, warehouses, shops, works, underground tunnels, sidings, jetties, wharves, bridges, mines, public works or conveyances of all kinds including railway lines and sidings, tramways, roads, sewage, drainage, sanitary, gas, electric power supply works, hydraulic works, public buildings, canals, vessels, boats, barges, launches, lorries, cars, wagons, carts and other works and conveniences and to contribute to the expense of setting up, constructing, improving, maintaining, and working any of the same and to pull down, rebuild, and repair any of the same.
- (43) To sink wells and shafts and to construct and maintain, reservoirs, waterworks, cisterns, culverts, embankments, filterbeds, mains and other pipes and appliances and to execute and do other works and things necessary or convenient for obtaining storing, selling, delivering, measuring, distributing and dealing in water.
- (44) To work or promote or acquire electrical undertakings for generating electricity or other energy and to carry on business as electrical contractors, engineers and to take contracts for the erection and distributions of transmission lines and sub-stations.
- (45) To work or promote or acquire gas producing undertakings, for producing oxygen, nitrogen, halogens, argon, hydrocarbon gases, including ethylene and acetylene, propylene, propane, butanes, gaseous and allied types reagents, and to dispose of any of the above mentioned products for any purposes on any terms and conditions and in any manner as the Company thinks expedient, and to carry on business as gas makers and engineers etc., and to take contracts for the erection of gas producing plant and distribution of gases referred to above.
- (46) To carry on the business of pumping, driving, transporting, purifying and otherwise dealing in all types and kinds of petroleum and petroleum products and other mineral oil and establishing, operating, maintaining and running on lease, depots and pumps for the distribution and sale of all types and kind of petroleum and petroleum products including diesel oil, kerosene, fuel oil, etc.
- (47) To manufacture, repair, recondition, service, imports, exports, hire, lend on lease, maintain or otherwise deal in all kinds of machinery, apparatus, equipment, spare parts, accessories, and all kinds of instruments and appliances, mill machinery, printing press, motor cars and trucks, tractors, steam boilers, iron foundries, furnaces, drilling machinery, mining machinery, electrical machinery and all other kind of products, required in the running of factories and workshops and other industrial activities of any kind whatsoever and required for domestic use.
- (48) To carry on business as manufacturers of and dealers in all or any of the above mentioned products, articles and goods and to undertake the manufacturing of other processes involved in the production or extraction or manipulation thereof for other parties, persons or concerns whether incorporate or corporate, and on contract basis or on commission basis or for any other consideration and to do packing and advertising concerning the products so manufactured or otherwise.

- (49) To carry on business and to work as merchants, traders, commission agents, manufacturer's representatives, export and import agents, insurance agents, underwriters, money-lenders, brokers, share brokers, dealers in shares, debentures and stocks, contractors, order importers, manufacturers, dealers, workers and financiers in all kinds of goods and merchandise, raw or manufactured of any description, kind and variety, whatsoever in India and elsewhere and to take part in the management or supervision and control of the business or operations in other companies, associations, firms, or persons and to become and hold the office and act as managing agents, secretaries and treasurers, managers, secretaries and/or agents of any Company promoted by this Company or any other Company or body corporate/ or any other business or concerns.
- (50) To carry on the business of general carriers by land, sea, air or railway and forwarding agents, warehousemen and carmen.
- (51) To carry on the business of road and pavement makers and repairers and manufacturers of and dealers in lime, cement, mortar, concrete, stone, bricks and building materials of all kinds and as builders and contractors for the execution of works and buildings of all kinds in the construction of which stone is required.
- (52) To establish and maintain any agencies in any part of the world for the sale of any materials or things for the time being at the disposal of the Company for sale.
- (53) To apply for, tender, purchase, or otherwise, acquire, contracts, subcontracts, licenses and concessions and to undertake, execute, carry out, dispose of or otherwise turn to account the same and to sublet all or any contracts from time to time and upon such terms and conditions as may be thought expedient.
- (54) To purchase for investment or resale, and to traffic in land, buildings, and house and other property of any tenure and any interest therein and generally to deal in, traffic by way of sale, lease, exchange, or otherwise in land, house property and any other property whether immovable or movable.
- (55) To develop and turn to account as may seem expedient any property acquired by the Company and in particular by preparing building sites, planning towns and by constructing, reconstructing, altering, improving, decorating, furnishing and maintaining offices, flats, apartments, houses, theatres, cinema house, places for entertainment, studios, factories, buildings, works and conveniences of all kinds, and by consolidating or connecting or subdividing properties, and by providing pavements, paths, road and drains, and leasing, letting on building lease or building lease or building agreement selling or otherwise disposing of the same.
- (56) To purchase, build, construct or otherwise acquire, establish, equip, furnish, maintain and run hotels, lodging and boarding houses and to carry on the business of hotels, inns, motels, restaurants, cafes, taverns, beer-houses, refreshment rooms, bars, boarding & lodging house keepers and caterers. Also in connection with the aforesaid to act as wine, beer and spirit merchants, ice merchants, tobacco, cigar and cigarette merchants; hairdressers; perfumers; dealers of food, beverages and eatables; manufacturers of and dealers in aerated, mineral and

artificial waters and other drinks and ice-creams; run departmental stores dealing in merchandise of all kinds; proprietors of clubs, baths, dressing rooms, grounds and places of amusements, entertainment and sports; proprietors of carriage, taxi, motor cars, motor tomes, garages and repairs shops; to act as travel agents for railways, air and shipping companies and carriers; and to do the business of money changers and dealers in foreign exchange.

- (57) To act as agents and licensees of any hotel or owners of hotels and to do and perform all and several duties, services and functions which such agents and licensees usually do and perform, to act as collaborators, advisers, technicians, financiers, licensors, and consultants of hotels, hotel industry and to carry out activities related thereto in India or in any part of the world.
- (58) To carry on all or any of the following businesses namely, property managers, brokers, and merchants and to manage lands, buildings, houses and any other property whether belonging to the Company or not, and to collect rents and income and supply to tenants and occupiers of all kinds of conveniences and advantages, and to carry on all or any of the following businesses, namely, house agents, forwarding agents, general carriers, decorators, furnishers and manufacturers of furniture and other furnishing equipment and material brick and tile, pipes, pottery, earthenware, china and ceramic wares of all kinds.
- (59) To take on lease, hire, purchase, or acquire by license or otherwise any lands, mills, factories, plants, buildings, works, vessels, boats, barges, launches, lorries, cars, airplanes, wagons, carts, machinery apparatus, stock-in-trade patents, inventions, trade marks, rights, privileges and movable or immovable property of any description which may be deemed necessary or convenient for any business which the Company is authorised to carry on.
- (60) To issue on commission, subscribe for, purchase or otherwise acquire and hold, sell, exchange, dispose of and deal in shares, stocks, bonds, debentures, debenture stocks, obligations or securities of any company or authority, supreme, state, municipal local or otherwise.
- (61) To borrow or raise or secure the payment of money, or to receive money on deposit at interest, for any of the purposes of the Company, and at such time or times as may be thought fit, by promissory notes, by taking credits in or opening current accounts with any person, firm, bank or company and whether with or without any security, or by such other means as the Directors may in their absolute discretion deem expedient, and in particular by the issue of debentures or debenture stock, convertible into shares of the Company at par/ or at a premium and as security for any such money so borrowed, raised, received and of any such debentures or debenture stock so issued, to mortgage, pledge or charge the whole or any part of the property and assets of the Company, both present and future, including its uncalled capital, by special assignment or otherwise, or to transfer or convey the same absolutely or in trust, and to give the lenders power of sale and other powers as may be deemed expedient, and to purchase, redeem, or pay off any such securities; provided that the Company shall not accept any deposits for the purpose of doing banking business.

- (62) To obtain foreign technical and industrial collaboration, know-how, to provide the same to the industries in India and abroad, and grant such technical assistance and know-how on such terms and conditions as may be beneficial to the company, and to encourage collaboration for setting up industries in and out of India and to establish, maintain, conduct, provide, procure or make available all types of services and to take such steps as may be necessary for the purpose of examining, inspecting, and carrying out test and market research in respect of any project.
- (63) To carry on business of timber merchants, saw-mill proprietors, furnishers, designers, interior decorators, architects and to acquire by purchase, grant, concession, lease or otherwise, any lands, forest, plantation, timber, bamboo forest, rubber estates and woods of all kinds whether standing or otherwise, lumbering rights and privileges, over lands situated in India or elsewhere and to cut, sell, prepare for market, and deal in all kinds of products of any such forest, timber and woods, lands and plantation.
- (64) To carry on business of manufacturers and dealers in all type of rubber, leather, plastic, latex, celluloid, bakelite and similar goods and their accessories and fittings.
- (65) To carry on all or any of the business and professions of providing services of all type including technical, administrative marketing, secretarial and other office services, issue house, share transfer agents, registrars, and providing services of technicians, scientist, artists, administrator, salesman, economist, accountants, tax experts and of acting as recruitment agents, advertising agents, organisers of conference, seminars, lectures, symposiums, exhibitions, fairs, auctioneers, trustees, executors, administrators, attorneys, nominees, receivers and agents (and to exercise powers of custodians, trustees, and trust corporation) and of working as professional consultants on technical, management, industrial, public relation, scientific, productivity, quality control, taxation, legal, employment, investment, marketing, accountancy, banking statistical and economic problems and matters and to work as industrial, labour and psychological counsellors and advisers.
- (66) To carry on business of manufacturers and dealers in entire range of fire fighting equipments, fire extinguishers, fire hose pipes, hose fittings, fire hydrant, valves, couplings, nozzles, suction couplings, adopters, buckets, electrical sirens, helmets and other protection equipments together with parts and accessories thereof and to aid advise, and provide fire protection systems for buildings, offices, industries and other premises.
- (67) To carry on business of agriculture, horticulture, sericulture, and of producer and cultivator of related products, including food grains, cash crops, oil seeds, vegetable, flowers, tea, coffee, cinchona, spices, cotton, rubber and to store and process the produce and turn it in forms marketable and sell, purchase and deal in the produce in open market on forward basis contract, tender, auction or otherwise.
- (68) To carry on the business of poultry farming, pig keeping, horse breeding and keeping cows, sheep, goats, buffaloes, ducks and generally carry on business of live-stock breeding and dairy farming, including making of condensed and powered milk, cream, cheese butter and other milk products, and to carry on business of bakers, confectioners, butchers and curing, treating, developing of ray hides, skins, leather.

- (69) To carry on business of brewers, distillers, malters, licensed victuallers of Indian made Foreign liquor, beer, wine, country liquors, spirits, alcohol, aerated, mineral and artificial water and other drinks and to carry on business as merchants, dealers processors, manufacturers of tobacco beedies, cigarettes and other articles made of or with tobacco and are related to tobacco.
- (70) To carry on the business of software development for commercial, scientific, technical, industrial, household purposes & for other purposes.
- (71) To purchase, hold, acquire, mines, mining lease, mining licenses, mining rights, mining claims and metalliferous lands and to explore, search, work, exercise, develop, treat, mines and turn to account, ores, all sorts of major and minor minerals, working deposits of all kinds of minerals and sub-soil minerals and to crush, win, set, quarry, smelt, calcine, refine, dress, preserve, amalgamate, manufacture, manage, manipulate and prepare for market ore, metal and mineral substances of all kind and to carry on metallurgical operation and to obtain, produce, process, trade, and deal in gold, copper, zinc, gypsum, graphites, soap stone, dolomite, barytes bentonite, foundry minerals, light magnesium, precipitated silica, calcium carbonate, bait clay felspar, oxides, ceramics, chemicals and other like and allied materials and natural products from earth.
- (72) To carry on the trade or business of manufacturers of or tractors, cofrontaton agents, buying agents, importers, exporters and dealers-in computers and tabulators of every kind, description including Accounting Machines, Calculating Machines, counting Machines, Cash registers, Tabulators, Sorting machines, Copying and Reproducing machines, Distributing machines and machinery systems, apparatus, appliances and devices including manufacture of peripheral controls for disc units, tape units, central processing units, and printers for communication network, terminals, add-on memories, computer systems and related electronic assemblies and sub-assemblies for any attachment to the aforesaid or otherwise including electronic gadgets and electronic appliances for office use or otherwise, and electronic test equipments, electronic typewriters, word processors and such other devices and electronic appliances for all purposes.
- (73) To carry on all or any of the business of manufacturing, processing and dealing in iron and steel, ferrous and non-ferrous alloys, special steels, aluminium, copper, lead, zinc, and their alloys and their products and of manufacturing and dealing in industrial machinery, and their components and accessories.
- (74) To carry on the business of manufacturers, assembles fabricators and dealers of engineering, scientific, mechanical, electrical, hydraulic, pneumatic, electronic, thermal, sonic, ultra sonic, optical, surgical and surveying equipment, electronic surveying equipments and instruments including radar equipments, remote control equipments and basic components such as valves, transistors, condensers, coils magnetic materials and microwave components, radiographs, phonographs, dictaphones, amplifiers, wireless sets, automobiles parts, micrometers, dial indicators, ammeters, voltmeters, ammeters, wattmeters, power factor meters, frequency meters, watt hours meters, insulation testers, geiger counters, scientillmenters, pressure and vaccum gauges, gas meters, oscilloscopes, stroboscopes, thermostats, temperature controllers, pyrometers, mixing dials and other instruments.

- (75) To finance or assist in financing the sale of commodities of all and every kind or description, by way of hire purchase or deferred payment, or similar transactions and to institute enter into, carry on, subsidise, finance or assist in subsidising or financing the state and maintenance of any goods, articles, or commodities of all and every kind and description upon any terms whatsoever, to acquire and discount hire purchase or other agreement or any rights thereunder (whether proprietary or contractual) and to carry on business and to act as financiers.
- (76) To manufacture, purchase, sell, import, export, fabricate, assemble, lease, let on hire and to act as agents for purchase and sale of, or otherwise to deal in cameras, projecting equipments, re-producing equipments, developing machines, enlargement machines for colour or black & white processing, binoculars, flashguns, lenses, photographic paper, optical products, opto & photo products and other plans, machines and apparatus capable of being used in connection with photography for cinematographic rolls, tapes, cassettes, equipments, accessories, parts, tools, materials, apparatus and other articles used in connection therewith and to undertake developing and processing of films and other ancillary jobs relating to aforesaid business.
- (77) To carry on business as goldsmiths, silver smiths, jewellers, gem and diamond merchants and of manufacturing and dealing in clocks, watches, jewellery, cutlery and their components and accessories and to acquire and hold by way of investment or resell and to let on hire purchase, lease, rent any metals, bullion, gold, silver, silver articles, diamonds, precious stones, ornaments and objects, and jewellery and paintings and coins and manuscripts curios, antiques and objects of art and pay for the same either in cash or otherwise.
- (78) To carry on the business of manufacturing, formulating, processing, refining, finishing, recovering, extracting, buying, selling, distributing and dealing in (whether by wholesale or retail) in Sulphuric Acid, Hydrochloric Acid, Phosphoric Acid, Nitric Acid, Acetic Acid, Boric Acid, Caustic Soda solid, Caustic Soda flakes, Caustic Soda Lye, Soda Ash, Common salt, Sodium Chemicals, Alkalines, Antibiotic Pharmaceutical, Medicinal and Chemical preparations, Articles and Compounds (whether of animal, vegetable or mineral origin) dyes, paints, pigments, oils, varnishes, resins, synthetic sers, medicines, and other biological products and preparations.
- (79) To carry on the business of chemists, druggists, importers, exporters manufacturers, packers & dealer in pharmaceutical, medical, chemicals, industrial and other proportions and articles including compounds, drugs, oil paints, pigments, varnishes, infectants, patent medicines, scents, toilet requisites, contraceptives, vaccines, veterinary medicines, tincture extracts, capsules, syrups, tablets injectables aerosols, ointments and all kinds of bacteriological and biological products including sprays, vermigufes, fungicides, insecticides, pesticides.
- (80) To carry on the business of transport contractors, courier agents, travel and tourist agents, operators of vehicles, and as carriers of passengers, livestock, other animals and goods, as shipping, chartering, forwarding and transport agents and contractors stevedores, wharfingers, carmen, caring contractors, agents, superintendents, packers and haulers, as warehousemen, and proprietors of warehouses, as fleet owners, coach and auto hirers and other vehicle proprietors, garage proprietors,

engineers and electricians, and to act as tourist agents and contractors and to facilitate travelling and to provide for tourist and travelers the provisions of convenience of all kinds, and to construct, equip, maintain work purchase and let on hire aeroplanes and hovercraft for the carriage of passengers or freight and as carriers by air or by hovercraft, and as general carriers and forward carriers by all means of transport by land, sea, inland waterways and airways and as stores of goods, merchandise of every kind and description whatsoever and to purchase or otherwise acquire any land, docks, canals, waterways, warehouses, wharves, buildings, or machinery and to construct and equip the same, purchase, hire, take on charter any ships, tugs, barges, motortrucks, motor lorries, motor cars, heavy duty vehicles, including tempos, matadors, station wagons or any other vehicles or vessels of any description or kind and to make, work, equip and maintain railway and establish and carry on a tourist agency, travel bureau, and booking office and to act as customs clearing agents.

- (81) To carry on all or any of the business of printers, stationers, lithographers, typefounders, stereotypers, chrome-lithographers, engravers, dye sinkers, book-binders, designers, draughtsmen, paper and book sellers, publishers, of newspaper journals, magazines, books, periodicals and other literary works and undertakings.
- (82) To carry on business as manufacturers, processors, refiners, exporters, importers and dealers in all types of chemicals, including basic chemicals, bulk drugs, organic chemicals, inorganic chemicals, heavy chemicals, rubber chemicals, organic, inorganic and mixed chemicals and chemical dyestuffs and dyestuff intermediaries, dyes, fungicides, herbicides, weedicides, drugs and pharmaceuticals including plant growth activators and regulators and other articles and compounds, ingredients and products and other things of any description for in connection therewith.
- (83) To carry on the business of manufacturers, designers, constructors, fabricators, installers, maintainers, dealers, buyers, sellers, importers and exporters of scientific including hypodermic needles, hypodermic syringes, blades, knives, scalpels, anatomical, orthopaedic, surgical and dental appliances of all requisites for hospitals, patients and invalids.
- (84) To carry on the business of advertising contractors and agents to acquire and dispose off advertising time, space or opportunities in any media, to undertake advertising and promotional campaigns of every nature, to acquire and provide promotional requisites.
- (85) To carry on business as manufacturers, processors, exporters, importers, distributors and dealers in all types of synthetic resins such as alkyd resins of oxidising or non-oxidising varieties, modified alkyd resins of phenoloated, styrented, acrylated, siliconized, thixotropic, water soluble chain terminated or vinylated types pure or modified phenolic resins, estergum resin, resin modified maleics, hydrogenated phenolic resins and resins and resin derivatives, resin modified alkyds, amino resins, saturated and unsaturated polysters, epoxies, polyamides, ketenic resins, acrylic resins of all varieties, thermoplastic and thermosettings resins, hydroceton resins, vinyl, resins of different types, polumeric plasticisers, polythene, polycarbonates, silicones, plastics, resinous thermosetting and thermoplastic materials and celtutotic materials, elastomer emulsions, polymers, surface and active and tanning agents.

- (86) To carry on business as manufacturers, processors, extractors, refiners, bleachers, exporters, importers, suppliers, storers, distributors and dealers in vegetable oils and oil derivatives like castor oil, linseed oil, fish oil, kardi oil, nigerseed oil and other vegetable oils and their derivatives and of crude oil, petroleum oil and petroleum products, waxes, batunes, naphtha and tar products and oil and colour paints of all types and all kinds including lacquers, enamels, paints, varnishes, oils, distempers, dry colours, minerals, disinfectants, turpentine, compounds derivatives, intermediates and by products of all or any of them.
- (87) To carry on the business of undertaking and setting up projects on turn key basis.
- (88) To promote, sponsor, undertake, and carry out or assist any activity for the promotion and growth of the national economy and for discharging social and moral responsibilities of the Company to the public or any section of the public as also any activity likely to promote national welfare or social, economic or upliftment of the people or any section of the people, and without prejudice to the generality of the foregoing promote, sponsor, undertake and carry out any activity for publication of any books, literature, newspapers or for organising lectures or seminars likely to advance these objects or for giving merit awards, scholarships, loans or any other assistance to deserving student or to other scholars or persons to enable them to pursue their studies or academic pursuits or researches and for establishing, conducting or assisting any Institution, Funds, Trust, Seminars, Camps having any of the aforesaid objects or one of its objects by giving donations or otherwise in any other manner in order to implement any of the above mentioned objects or purpose transfer without consideration or at such fair or concessional value and subject to the provisions of the Act divest the ownership of any property of the Company to or in favour of any public or Local Body or Authority or Central or State Government or any Public Institutions, Trust or Fund.
- (89) To carry on the business of manufacturing, assembling, repairs, remodeling, contracts and dealers motor-cars, taxicabs, automobiles, tramcars, motoriornes, trucks and wagons, motor vehicles, cycles, bicycles, coaches, agricultural implements, machinery, Horticultural, dairy machinery, its components and accessories.
- (90) To carry on all or any of the business of running hotels, holiday resorts, restaurants, lodging houses, milk snack bars, laundries, libraries, swimming pools, night clubs, hair dressing and beauty saloons, chemist shops, cold storages, studios, exhibition halls, amusement centres, wine beer shops, department stores, institutions, sports clubs, skating, dancing halls, discotheques, optician shops, massage houses & paddling pools, garages and service stations, repair shops, petrol pumps, gymnasiums, safe deposits vaults, warehouses, godowns, car parks, hangars.
- (91) To carry on all or any business of and dealers in importers, exporters of pulp and paper of all kinds and articles made of paper or pulp and materials used in the manufacture or treatment of paper, including packing goods and materials such as bags, cartons, containers, and boxes whether made of paper or otherwise.
- (92) To carry on the business as financiers and to undertake, carry on and execute all kinds of financial and business operations (except banking and insurance business under the Banking Regulations Act, 1949, and

Insurance Act, 1938) as carried on by financing houses, shroffs, credit corporations, bankers and general financiers, and to carry on other business of advancing loans, deposits (intercorporate or otherwise) and to carry on business of a company established with the objects of financing Industrial Enterprises and/or to guarantee the payment or performance of any debts, contracts, obligations or give any guarantee in connection with loans or provide any security in connection with a loan made by any other person to, or to any person by, any person, firm or company for any purpose whatsoever and to act as agents for the collection, receipt or payment of money and generally to act as agents for or render services to customers and others and generally to give guarantees or indemnities.

- (93) To carry on the business as merchants, traders, commission agents, buying agents, brokers, adatias, buyers, sellers, agents, depot managers, warehousemen, importers, exporters, dealers in, collectors, distributors of and to import, export, buy, sell, barter, exchange, pledge, distribute, mortgage, advance upon or otherwise trade and deal in merchandise, goods machinery, and equipments, including Agricultural products, farm and Dairy products, and goods, merchandise, machinery, spares, accessories related to industries such as textile engineering, electrical, electronics, chemical, pharmaceuticals, mining, fertilisers, automobile, shipping, metal, precious stone, precious metals, leather, cottage and handicraft industries and other goods, commodities, product, things, spares, accessories as wholesalers or retailers, on the basis of ready delivery or forward contracts on commission basis or otherwise.
- (94) To carry on the business of manufacturers, importers, exporters, distributors, processors, agents and dealers in all kinds of coloured, natural, printed or non-printed packaging materials in all its forms and varieties including corrugated boxes, corrugated paper, packing sacks, jute bags, other bags, strappings, containers, boxes, films, tubings, yarn and packing material made from scrap, reprocessed or virgin metal, paper, card board, nylon, lamp goods, woollen, jute, cotton, plastics and moulded, extruded, woven, knitted, stitched or fabricated articles including jerrycan, drums, bottles, films, tubings, sheets, sections and other hollow items used for packing or otherwise out of thermoplastics, thermosetting plastics, reinforced plastics, pvc flexible and rigid sheets, leather cloth, industrial and decorative sheets and laminates, polythelene polyvinylchloride, polystyrene, polyurethane, phenol formaldehyde, urea formaldehyde, melamine, resins, and cellulose acrylic sheets, single layer or multilayer and laminated with paper, plastics or metal, by the process of blow moulding or injection moulding.
- (95) To carry on the business as generator and distributor of electricity and manufacturers, distributors, producers, assemblers, fabricators of transformers, voltage regulators, battery chargers, battery eliminators, voltage testing sets, voltage stabilisers, conductors, fittings switches and distribution boards, and other equipments in connection with wires for wireless signalling, lighting, heating, motive power cables, lines, power stations, exchanges, accumulators, dynamos, switching, controlling and signalling apparatus and also of high tension and low tension transformers, transmission towers, high voltage electrical porcelain bushing and insulation materials, electric switchgear for high and low tension for alternate and direct current and also to manufacture, sell, supply and deal in accumulators, lamps, lamp components, meters, engines, dynamics, batteries, telephonic or telegraphic apparatus of any kind.

- (96) To manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market, import or export or otherwise deal in all kinds of insulated cables and wires, rubber insulated wires and cables, PVC cables and flexible cords, cotton or silk braided, conduct wires and cables, telegraph and telephone cables, low and high tension paper, rubber or bitumen insulated lead covered power cables, armoured or non-armoured extra high tension shielded and belled power cables, signalling cables, accessories of power cables, alplastable cables with seamless aluminium sheath covered with a second seamless skin of thermoplastic material, overhead materials, bard copper, bronze, aluminium wires and cables solid or standard for telephone, telegraph and signalling purposes, aluminium cables for overhead lines, bare copper and cadmium copper wire round or grooved for trolleys buses, crane operation, aerials, furnaces, ship wiring, switch boards, bell wires, fuse wires, lead, lead alloy and tinned copper and all kinds of caues, wires, conductors & accessories.
- (97) To manufacture, assemble, erect, install, purchase, import, export, equip, trade, fabricate, design, distribute, repair, maintain, exchange, alter, lease, or hire, sell on hire purchase or instalment system, construct, develop, enter into arrangement of setting up the same either in whole or in part or in any other way to deal in sheet metal (ferrous and non ferrous) and sheet metal articles including Aluminium and Steel windows, doors, buckets, containers, tanks, steel furniture, pipes, railings, building material, weights and castings, special alloy castings, malleble castings, forgings of carbon, steel or its alloys, rerolling of steel, heating, edge metal sheet, pressing, forging, drawing, flattening, straightening; to manufacture sheets, tapes, wires, rods, bolts, panels, machinery and its spares and components, engineering tools and-equipments, nuts, bolts, steel rods, nails, tools, containers, angles, rounds, bards, joints, steel and iron structures, control panels and systems and electrical and electronic equipments, apparatus, and to carry out the fabrication, galvanising, rerotling, enamalling, electroplating, press works and moulding of sheet metal, heavy plate, iron, aluminium, steel, ferrous and non ferrous metals, special and alloy steel and spring steel and to act as consultants and advisors in relation to various aspects of mechanical, electrical, electronic and other allied engineering matters.
- (98) To manufacture, process, sell, distribute, market, import, export, buy, exchange, manipulate and otherwise deal in all kinds of scrap, granules, extruded articles including pipes, sections, profiles, sheets used in industrial, domestic or other purposes.
- (99) To carry on business of manufacturing, trading and dealing in salt and take on lease salt fields, buy or sell land for manufacturing salt, process sea, lake water, to set up projects, machineries for this purpose and to manufacture other allied chemicals, by-products of salt.
- (100) To carry on the business of preparing, combining, spinning, doubling, twisting, texurising, imparting, crimping, converting, calendering, testing, sizing, weaving, knitting, bleaching, processing, dyeing, ginning, cutting, scouring, winding, mercerising, combing, printing, finishing, manufacturing, buying, selling, importing, exporting or otherwise dealing in all types of fabrics, synthetic fabrics, synthetic yarn, nylon, polyester, acrylic, viscose, polypropelene, trelene, cotton, linen, wool, silk, flex, hemp, jute, artificial silk, rayon, canvas, and other fibres or textile substances, whether natural or synthetic or man made, in any state and whether similar to the forgoing substances or not, and to treat, utilise and

deal in any waste arising from any such operations and to manufacture, felted, knitted, looped and embroidered fabrics, lace and other types of manufactured, processed or decorated fabrics and to manufacture coated or laminated fabrics and ready made garments and apparels.

- (101) To manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market, import or export or otherwise deal in all kinds of rainwear, including umbrellas, raincoats, gumboots, shoes, sandals, chappals, caps, hats and other water protecting material.
- (102) To manufacture, turn, bend, mould, melt, reshape, buy, sell, exchange, alter, improve manipulate, prepare for market, import or export or otherwise deal in all kinds, of goods, merchandise, products, things made out of plastics including plastic sheets, household goods, appliances and/or components spares, accessories required in and utilised by and for any automobile industry or other industrial enterprises made by injection moulding or blow moulding process or any other process out of any kind of plastic either singly or laminated, impregnated or reinforced with any other materials.
- (103) To acquire, buy, sell, purchase, lease, develop, renovate, improve, maintain, exchange or otherwise own property, estate, lands, buildings, hereditaments, flats, garages, houses, halls, godowns, mills, factories, chawls, dwelling house or own or be interest therein, with any landed properties, of any tenure or description and any estate or interests therein together with all buildings and structures standing thereon with any rights connected with such lands, estates, buildings, hereditaments, flats, garages, houses, halls, godowns, mills, factories, chawls, dwelling houses, bridges, or other immovable properties, and to turn the same to account as may be expedient and in particular by laying out and preparing land for building purposes and preparing building site by planting, paving, draining and cultivating land and by demolishing, constructing, reconstructing, altering, improving, furnishing, maintaining, administering, equipping the same and to carry on construction work of building houses, garages, halls, theatres, palaces, music halls, flats, offices, premises, shops, residential accommodation, godowns, warehouses, mills, factories, chawls, dwelling houses, bridges, or other landed properties and to consolidate and construct and subdivide properties by leasing or otherwise disposing of the same and to advance money and to enter into contracts and agreements of all kinds with builders, contractors, tenants, occupiers.
- (104) To carry on business of engineers, millwrights, founders, machinists, smiths, converters, metallurgist and manufacturers, fabricators, assemblers of all kinds of machinery, plants, equipments, components, spares, accessories, implements, and articles and to export, import, buy, sell, manufacture, repair, assemble, convert, alter, let on hire, and otherwise deal in all kinds of machinery, plants equipments, and all components, parts accessories fittings of all kinds of machinery, plants equipments, and articles and implements used in or capable of being used in connection with any machinery.
- (105) To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them either as principals, agents, contractors, trustees, or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.

*(106) To manufacture, machine, fabricate, develop, design, refine, process, research in, contract, install, service, repair, maintain, process, refine, cure, convert or buy, sell, trade in, or otherwise deal in all types, categories, form and description of forgings, castings and stampings of all metals including die making, die casting, machinery parts, moulds, press tools, jigs, fixtures, injections and compression moulding, tools, implements, and including but not limited for products such as Crankshafts, Front Axle, Connecting rods, Steering Knuckle, Stub axle, Axle Beam, Gears, Carriers, Flanges, Drives, Yokes, Axles, Links, Levers, Forks, Shifter, Seat Spring, Gears, Pinion, Shafts, Pins, Arms, Cam shaft, any parts required for automotives, engineering, electrical, mechanical, construction, agricultural, electronics, metallurgical, auto component, petroleum, railway, defense or any other industry, transport equipments, earth moving equipments, agricultural equipments, implements including hydraulic machine tools, special purpose machines, die sinking machines, components, parts, accessories, fittings and things used in the manufacture of these equipment in any stage or degree of manufacture, process thereof, any other components, parts or equipments; To undertake sheet metal press jobs and all other engineering job work, structural and rolling works of all kinds, die and press work of all kinds; To research in, develop, design, engineer, manufacture, contract, install, service, maintain, buy and sell, import, export or otherwise deal in forgings, in raw, machined or any other form, including regulating equipment, plant, instruments and controls tooling, fixture gauges, raw materials required to be used and scrap or by-products generated in the process of manufacture of forging / machining of the same, casting/machining of the same, stampings and tools.

** Amended by Special Resolution passed by the Company at the Extraordinary General Meeting held on 19th April, 2005.*

IV. The liability of the members is limited.

#V. "The Authorised Share Capital of the Company is Rs. 4,869,426,365 (Rupees four billion eight hundred sixty nine million four hundred twenty six thousand three hundred sixty five only) divided into 486,942,621 (Four hundred and eighty six million nine hundred fourty two thousand six hundred twenty one only) Equity Shares of Rs. 10 (Rupees ten only) each aggregating Rs. 4,869,426,210 (Rupees four billion eight hundred sixty nine million four hundred twenty six thousand two hundred ten only) and 5 (Five) 4% (Four percent) Non Cumulative Redeemable Non Convertible Preference Shares of Rs. 31 (Rupees thirty one only) each aggregating Rs. 155 (Rupees one hundred fifty five only), with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force."

Amended by Special Resolution passed by the Shareholders of the Company at the Extra-Ordinary General Meeting held on 13th October, 2016.

We the several persons, whose names 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 :

	Name, Address, description and Occupation of each subscriber	Number of Equity shares taken by each subscriber	Signature of the Subscriber	Name, Address and Signature of witnesses
1.	Mr. Harish Chandra Mahindra Son of Mr. Jagdish Chandra Mahindra Saahil, 14, Altamount Road, Mumbai 400 026. Industrialist	10 (Ten only)	Sd/-	Witness to all: Sd/- Mr. Birbali D. Prasad Verma R. No. 14, Bhatte Wadi, Opp. Baghdevi Nagar, Sant Namdeo Marg, Dahisar (East), Mumbai 400 068.
2.	Mr. Keshub Mahindra Son of Mr. Kailash Chandra Mahindra St. Helen's Court, Peddar Road, Mumbai 400 026. Industrialist	10 (Ten only)	Sd/-	
3.	Mr. Anand G. Mahindra Son of Mr. Harish Chandra Mahindra Gulistan, 1st Floor, 65, Nepean Sea Road, Mumbai 400 026. Business Executive	10 (Ten only)	Sd/-	
4.	Mr. Ram Nawal Singh Son of Mr. Kalu Singh 23, Ashutosh, 38-A, Nepean Sea Road, Mumbai 400 026. Service	10 (Ten only)	Sd/-	
5.	Mr. Thekekara Varkey Lukose Son of Mr. Chacko 53, Venus Apartments, Cuffe Parade, Colaba, Mumbai 400 005. Service	10 (Ten only)	Sd/-	
6.	Mr. Anil Madhav Palekar Son of Mr. Madhav Palekar C-8, Oliver Mansion, 334/A, Mogul Lane, Mahim, Mumbai 400 016. Service	10 (Ten only)	Sd/-	
7.	Mr. Vikas Kashinath Gupte Son of Mr. Kashinath Gupte 29/C, Sarvodaya Bhuvan, Gokhale Road (North), Dadar, Mumbai 400 028. Service	10 (Ten only)	Sd/-	
		70 (Seventy only)		

Dated the 2nd day of August, 1999.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO.112 OF 2006
CONNECTED WITH
COMPANY APPLICATION NO.872 OF 2005

In the matter of Companies Act,
1956;

and

In the matter of Section 391 to
394 of the Companies Act, 1956;

and

In the matter of Scheme of
Arrangement between:-

Amforge Industries Limited

and

Mahindra Automotive Steels
Pvt.Ltd.

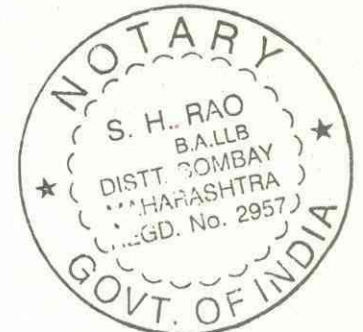
Mahindra Automotive Steels
Private Limited

.. Petitioner

Mr.Virag Tulzapurkar, Senior Advocate with
Mr.Amit Jamsandekar i/b. Khaitan & Co. for
petitioner

Mr.C.J.Joy with R.C.Master with M.M.Goswami
Panel Counsel i/b. Dr.T.C.Kaushik - Regional
Director.

WITH



COMPANY PETITION NO.119 OF 2006
CONNECTED WITH
COMPANY APPLICATION NO.850 OF 2005

In the matter of Companies Act,
1956;

and

In the matter of Section 391 to
394 and 100 to 104 of the
Companies Act, 1956;

and

In the matter of Scheme of
Arrangement between:

Amforge Industries Limited
And
Mahindra Automotive Steels
Pvt.Ltd.

Amforge Industries Limited .. Petitioner.

Mr.Jijina with Mr.Sameer Samant i/b. M/s.Mulla &
Mulla & C.B.C. for petitioner
Mr.C.J.Joy with R.C.Master and Mr.M.M.Goswami,
Panel Counsel i/b. Dr.T.C.Kaushik - Regional
Director.

CURAM : S.C.DHARMADHIKARI, J.
DATE : 21st March 2006

P.C.
Heard Mr.Tulzapurkar, learned Senior
Counsel appearing for petitioner company and
Mr.Joy, learned Counsel appearing for Regional



Director.

2. Present petition is by Transferee company seeking sanction of this Court to a scheme of arrangement with the Transferor company which is petitioner in Company Petition No.119 of 2006. The Chakan unit of Transferor company would be taken over as a going concern by the petitioner in Company Petition No.112 of 2006 and is proposed to be vested on the terms and conditions set out in the scheme.

3. The features of the scheme are set out in the petition. Audited financial accounts of petitioner company for the year ended 31st March 2005 are also annexed. The scheme postulates that in consideration of the de-merger of the transferor company the transferee company shall without any further payment issue and allot on a proportionate basis to each of the member of transferor company, whose name is recorded in the Register of members of the transferor company,



shares in the ratio set out in the petition. Meeting has been dispensed with by this Court. The Regional Director has filed an affidavit in both matters. The Regional Director has pointed out that the Transferee company proposes to change its name and, therefore, it will have to comply with provisions of sections 21 and 23 of the Companies Act, 1956. Further, conversion contemplates change from "Private Limited" to "Public Limited" and, therefore, the transferee company will also have to comply with the provisions of Companies Act in that behalf. Additionally, it is pointed out that issue of shares to Non Resident Indians may involve taking appropriate permission from Reserve Bank of India.

3. Mr. Tulzapurkar, learned Senior Counsel appearing for petitioner in C.P.112 of 2006 and the learned Advocate appearing for petitioner in C.P.117 of 2006 make a statement that compliance with all statutory provisions of Companies Act



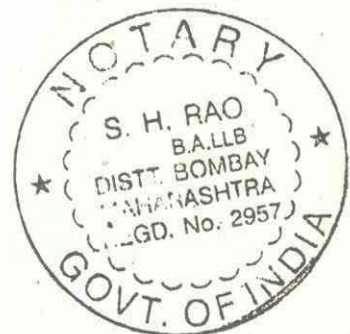
INDICATURE
S. H. RAO

and if necessary, with Foreign Exchange Management Act as also Reserve Bank guidelines would be made, before the scheme is implemented fully. Similarly, provisions contained in Companies Act with regard to increase in authorised share capital would also be made by parties.

4. Needless to state that the order passed by this Court sanctioning the scheme is subject to compliance as aforesaid. Both petitions are made absolute accordingly in the following manner:-

a) Company Petition No.112 of 2006 is made absolute in terms of prayer clauses (a) to (h). Cost of Regional Director is quantified at Rs.2,500/-;

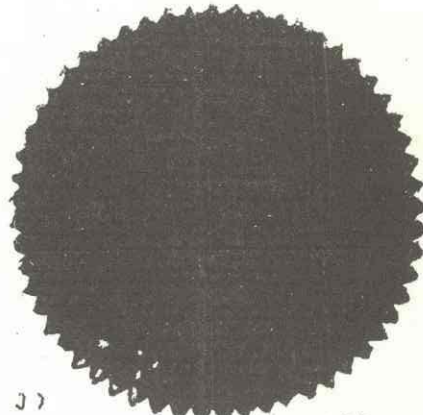
b) Company Petition No.119 of 2006 is made absolute in terms of prayer clauses (a) to (d). Cost of Regional



Director is quantified at Rs.2,500/-;

c) As far as reduction of share capital is concerned, form of minutes in terms of Exh.M would be filed with the authorities within the time stipulated by Companies Act, 1956.

Parties to act on authenticated copy of this order. C.C. expedited.



(S.C.Dharmadhikari, J)



TRUE-COPY

M. D. Narvekar 22/03/06
M. D. NARVEKAR
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

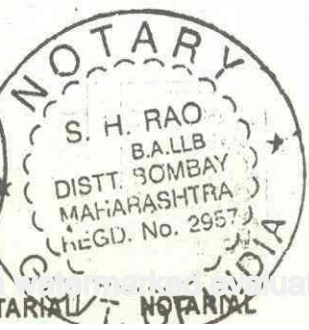
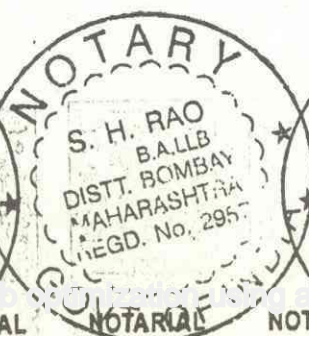
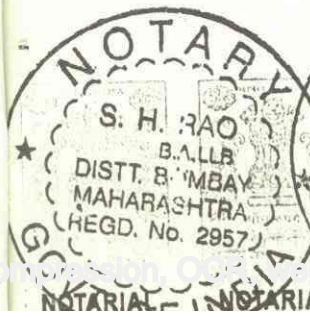
TRUE COPY

Date 22-3-06
Section Officer
High Court, Appellate Side
Bombay.



CERTIFIED TO BE TRUE COPY

Suro
S. H. RAO
B.A.
ADVOCATE HIGH COURT
NOTARY GOVT. OF INDIA
A1/13, NMM CO-OP SOCIETY,
MUMBAI-PUNE ROAD,
KALWA (WEST), THANE-400 605.
MOBILE: 9822266777
17 APR 2006



**SCHEME OF ARRANGEMENT (DEMERGER)
UNDER SECTIONS 391 TO 394 OF
THE COMPANIES ACT, 1956**

between

AMFORGE INDUSTRIES LIMITED
(Amforge/The Demerged Company / Transferor Company)

and

MAHINDRA AUTOMOTIVE STEELS PRIVATE LIMITED
(MASPL/The Resulting Company / Transferee Company)

and

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART 1 – GENERAL

- (A) The Transferor Company is a listed public company and is engaged in the business inter alia, to manufacture, fabricate, buy, sell, deal in forgings, castings and stampings, of all metals, machinery parts, moulds, press tools, jigs, fixtures, injections and compression mouldings, garage tools, agricultural implements, small forgings, die making and die casting, automobile parts, brass parts, spare parts of all kinds of machinery and all other allied lines and to undertake sheet metal press jobs and all other engineering job works.
- (B) The Resulting Company is an unlisted company and a wholly owned subsidiary of Mahindra as on the date hereof and is engaged in the business inter alia, to manufacture, machine, fabricate, develop, design, refine, process, research in, contract, install, service, repair, maintain, process, refine, cure or conversion or buy, sell, trade in, deal with, otherwise deal in all types, categories, form and description of forgings, castings and stampings of all metals – including die making, die casting, machinery parts, moulds, press tools, jigs, fixtures, injections and compression moulding, tools, implements.
- (C) This Scheme of Arrangement (hereinafter referred to as the “Scheme”) provides for the Demerger of the Demerged Undertaking (as defined hereinafter) from the Transferor Company to the Resulting Company, and the consequent issue of shares by the Resulting Company to the shareholders of the Transferor Company, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and the reorganisation of share capital of the Transferor Company.
- (D) The Transferor Company and Mr. Puneet Makar being one of its promoter shareholder have pursuant to a separate Deeds of Warranties and Indemnities dated July 1, 2005 (Deeds of Warranties) represented, warranted and covenanted to the Resulting Company in relation to the Demerged Undertaking and the Transferor Company;
- (E) Mahindra has subscribed to and the Resulting Company has relying upon the Deeds of Warranties allotted to Mahindra 82,11,866 number of equity share, of the Resulting Company, at a price of Rs.97.42/- (being Rs.10/- face value and premium of Rs.87.42/- each) aggregating to Rs.80,00,00,000 (Rupees Eighty Crores only) (being rounded off to the nearest thousand).
- (F) Mahindra has also, relying upon the Deeds of Warranties, paid share application money to the Resulting Company toward subscription of 49,78,444 number of equity shares of the Resulting Company, at a price of Rs.97.42 (being Rs.10/- face value and premium of Rs.87.42 each) aggregating to Rs.48,50,00,015 (Rupees Forty-eight crores fifty lakhs fifteen only), which will be allotted by the Resulting Company to Mahindra pursuant to the terms of the Scheme, the proceed of which shall be utilized for the purpose of redeeming the Preference Shares.

- (G) The Transferor Company acknowledges that the shareholders of the Transferee Company will be approving this Scheme in reliance upon the representations set out in the Deeds of Warranties made by Mr. Puneet Makar being one of its promoter shareholder and the Transferor Company.
- (H) Nainesh Investment And Trading Company Private Limited (“Nainesh”) a company incorporated under the Companies Act, 1956 and having its registered office at 416 Raheja Chambers, 4th Floor, Free Press Journal Road, Nariman Point, Mumbai 400 021, Mumbai 400 021 is a group company of the promoters of the Transferor Company. The said Nainesh as a result of inter-se transfer of equity shares of the Transferor Company, amongst the promoter group companies, acquired equity shares of the Transferor Company and currently holds equity share of the Transferor Company representing 14.9% of the issued, subscribed and paid up equity share capital of the Transferor Company.
- (I) The Indian and Eastern Engineer Company Limited, a company incorporated under the Indian Companies Act, 1913 and existing under the Companies Act, 1956 and having its registered office at Cecil Court, 5th Floor, Mahakavi Bhushan Marg, Mumbai 400 001, (“IEECL”), and a company controlled by family members of the promoter of Mahindra & Mahindra Limited, has subscribed to, and Nainesh has issued and allotted, on August 29, 2005, to IEECL, Class B equity shares of Nainesh representing 76.19 % of the issued and paid up share capital of Nainesh.”
- (J) This Scheme also makes provisions for various other matters consequential or related thereto and otherwise integrally connected therewith.

1. Definitions

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

- (i) “Act” means the Companies Act, 1956 or any statutory modification or re-enactment thereof;
- (iii) “Appointed Date” means opening business hours of 1st day of April 2005;
- (iv) “Demerged Undertaking” means the forging and other businesses carried out by the Transferor Company at its unit located at GUT No. 856-860, Chakan Ambethan Road, Taluka – Khed, District Pune, Maharashtra – 410 501, on a going concern basis and consisting inter alia all assets as set out in Part 1 of Schedule 1, and all the liabilities as set out in Part 2 of Schedule 1 relating thereto (the Chakan Undertaking) but excluding those pertaining to the Remaining Business;

Assets and Liabilities of the Chakan Undertaking and/ or unit shall mean and include:

- (a) all assets, wherever situated, whether movable or immovable, tangible or intangible, including but not limited to any plant and machinery, land properties, estate, buildings, offices, residential flats/guest houses/transit quarters, work-in-progress, furniture, fixtures, office equipment, data processing equipments, computer aided design equipments with software packages/licenses, electrical installations / systems, communication system / accessories, appliances, accessories, raw material, finished and semi finished goods, all scrap or by-products, inventory, investments, vehicles, fork lifts/material handling equipments, etc., together with all the present disclosed liabilities and borrowings including specific loans and borrowings (including debentures, if any) raised, incurred and/or utilized solely for the activities or operations, appertaining to or relatable to the Chakan Undertaking and particularly listed in Part 2 of Schedule 1 as on the Appointed Date;

- (b) without prejudice to the generality of the clause (a) above the Assets of the Chakan Undertaking shall also include; all permits, approvals, arrangements, authorizations, benefits, concessions, rights and benefits of all contracts, agreements, allotments, consents, quotas, rights, easements, engagements, exemptions, entitlements, advantages of whatsoever nature; industrial and other licenses, approvals, consents, municipal permissions, current assets receivables, fixed assets, industrial and intellectual property rights of any nature whatsoever and howsoever named, including trademark, trade-names, patents, copyrights, designs permits powers of every kind, nature and description whatsoever, all properties, movable and immovable, real, corporeal, or incorporeal, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, tenancies in relation to office and/or residential properties for the employees, offices, license in respect thereof, intangibles, leasehold rights, liberties, ownerships rights and benefits, cash balances, the benefit of any deposits, bank balances, bank accounts, earnest moneys; all other rights and benefits, licenses, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipments, titles, all other utilities, benefits of all agreements, contracts, government contracts, memoranda of understanding, project service agreement, pre-qualification, applications, bids, tenders, letters of intent, concessions, agreements, non possessory contractual rights or any other contracts, development rights, allocated deferred tax, including deferred sales tax and or carry forward income tax benefits as per law, funds belonging to, proposed to be utilised by the Chakan Undertaking and arrangements and all other interest in connection with or relating to the Chakan Undertaking on the Appointed Date;
- (c) all deposits and/or moneys paid by the Transferor Company in connection with or relating to the Chakan Undertaking (including the deposits in the name of Isha Steel Processor Limited, which was amalgamated with the Transferor Company and which originally owned the factory land at Chakan); and
- (d) all necessary records, files, papers, engineering and process information, all product pricing, costing, commercial and business related information, computer program, drawings & designs, manuals, data, catalogues, quotations, sales and advertising materials, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the Chakan Undertaking.
- (v) “Deeds of Warranties”: the Deed of Warranties and Indemnities dated July 1, 2005 by Mr. Puneet Makar being one of the promoter shareholder of the Transferor Company and Deed of Warranties and Indemnities executed in favor of the Transferee Company dated July 1, 2005 by the Transferor Company pursuant to which they have, represented, warranted and covenant to The Transferee Company in relation to the Demerged Undertaking and the Transferor Company;
- (vi) “Effective Date” means the date on which :
 - (a) all the conditions and matters referred to in Clause 31 hereof have been fulfilled and
 - (b) all the approvals and consents referred to therein have been obtained. References in the Scheme to the date of “coming into effect of this Scheme” or “effectiveness of the Scheme” shall mean the Effective Date.

- (vii) "Transferor Company" or "Demerged Company" means Amforge Industries Limited, a company within the meaning of the Act and having its registered office at United Bank of India Building, 6th Floor, Sir P.M. Road, Mumbai or the Transferor Company or the Demerged Company;
- (viii) "Guaranteed Debts" means all debts, liabilities and obligations of the Demerged Company as on the Appointed Date in relation to the Remaining Business which the Resulting Company undertakes to discharge in terms of Part V of this Scheme;
- (ix) "Record Date" means the date to be fixed by the Board of Directors or a committee thereof of the Transferor Company for the purpose of determining the members of the Transferor Company to whom shares will be allotted pursuant to this Scheme;
- (x) "Remaining Business" means all the business, units, divisions, and their respective assets and liabilities (including that portion of general common and multipurpose borrowing more particularly described in Part 3 B of Schedule 1) of the Transferor Company, other than those being transferred to the Demerged Undertaking;
- (xi)
- (xii) "Mahindra": means Mahindra & Mahindra Limited, a company within the meaning of the Act, having registered office at Gateway Building, Apollo Bunder, Mumbai
- (xiii) "The Transferee or the Resulting Company " means Mahindra Automotive Steels Private Limited, a company within the meaning of the Act, having registered office at Mahindra Towers, P K Kurne Chowk, Worli, Mumbai 400018; and
- (xiv) "New Mahindra Shares": 49,78,444 number of equity shares of Rs.10/- each, of the Resulting Company to be issued and allotted to Mahindra, at a premium of Rs.87.42/- per share pursuant to the terms of the Scheme, within 48 hours after the issue and allotment of shares pursuant to paragraph 17(c) herein, the proceed of which shall be utilized for the purpose of redeeming the Preference Shares;
- (xv) "Scheme" means this composite Scheme of Arrangement in accordance with the Section 2(19AA) of the Income Tax Act 1961, with or without any modification approved or imposed or directed by the High Court of Bombay pursuant to which the Demerged Undertaking shall be demerged and transferred and vested with the Resulting Company on and from the Effective Date;

2. Share Capital:

(a) The Share Capital structure of the Transferor Company were as follows:

	Rs. in Lakhs as of March 31, 2005	Rs. in Lakhs as of July 1, 2005
AUTHORISED		
1,97,50,000 Equity Shares of Rs.10 each.....	1975.00	1975.00
25,000 15% Redeemable Cumulative Preference Shares of Rs.100 each.....	25.00	25.00
	2000.00	2000.00
ISSUED, SUBSCRIBED AND PAID-UP		
1,48,20,206 Equity Shares of Rs.10 each fully paid-up ..	1482.02	1482.02

(b) The Share Capital structure of the Resulting Company were as follows:-

	Rs. in Lakhs as of March 31, 2005	Rs. in Lakhs as of July 1, 2005
AUTHORISED SHARE CAPITAL		
4,00,00,000 Equity Shares of Rs.10 each;	4,000.00	4,000.00
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL :		
10,070 Equity Shares of Rs.10 Each (as on March 31, 2005).....	1.01	
82,21,936 Equity Shares of Rs.10 Each (on July 1, 2005 82,11,866 Equity shares were issued to Mahindra).....		822.19
Share Premium Account (Rounded off to nearest thousand).....		7178.81
Advance towards subscription/Application Money.....		4850.00

PART II – DEMERGED UNDERTAKING

3. Upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the order of the Hon'ble High Court of Judicature at Bombay under Section 391 read with Section 394 and other applicable provisions of the Act, the Demerged Undertaking of the Transferor Company shall be demerged and transferred to the Resulting Company such that
- (i) all the property of the Demerged Undertaking, being transferred by the Transferor Company, immediately before the demerger, becomes the property of the Resulting Company by virtue of the demerger;
 - (ii) all the liabilities relating to the Demerged Undertaking, being transferred by the Transferor Company, immediately before the demerger, become the liabilities of the Resulting Company by virtue of the demerger;
 - (iii) the property and the liabilities of the Demerged Undertaking being transferred by the Transferor Company are transferred at values appearing in its books of account immediately before the demerger;
 - (iv) the Resulting Company issues, in consideration of the demerger, its shares to the shareholders of the Transferor Company on a proportionate basis;
 - (v) the shareholders holding not less than three-fourths in value of the shares in the Transferor Company (other than shares already held therein immediately before the demerger, or by a nominee for, the resulting company or, its subsidiary) become shareholders of the Resulting Company by virtue of the demerger, otherwise than as a result of the acquisition of the property or assets of the Transferor Company or any undertaking thereof by the Resulting Company;
 - (vi) the transfer of the Demerged Undertaking is on a going concern basis;
 - (vii) the demerger is in accordance with the conditions, if any, notified under sub-Section (5) of Section 72A by the Central Government in this behalf.

Without limiting the generality of the aforesaid and subject to this Scheme, the Demerged Undertaking shall, subject to the provisions of this clause in relation to the mode of vesting and pursuant to Section 394(2) of the Act and without any further act or deed, be demerged from the Transferor Company and transferred to and vested in the Resulting Company or be deemed to have demerged from the Transferor Company and transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Resulting Company subject to and in accordance with the provisions of this Scheme set out hereinafter.

4. With effect from the Appointed Date :

- (a) the Demerged Undertaking along with all the estates, assets, rights, titles, and interest including, benefits, entitlements, provisions, concessions, remissions, accretions and appurtenances of the Demerged Undertaking at their closing book values as on 31st March 2005 shall, subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394(2) of the Act, without any further act, instrument or deed be demerged from, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date the estate, assets, rights, title and interest of the Resulting Company.
- (b) in respect of such of the assets of the Demerged Undertaking, held by the Transferor Company prior to the Appointed Date and/ or thereafter up to the Effective Date, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, payment or by endorsement and delivery, shall be so transferred, and shall become the property as an integral part of the Transferee Company.
- (c) in respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-clause (b) above, and more particularly provided in sub clause (a) above, held by the Transferor Company prior to or on the Appointed Date and/ or thereafter upto the Effective Date, the same shall, without any further act, instrument or deed, be demerged, transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company pursuant to the provisions of Section 394 of the Act.
- (d) all assets acquired by the Transferor Company after the Appointed Date and prior to the Effective Date for operations of the Demerged Undertaking shall also stand transferred to and vested in the Resulting Company.
- (e) The transfer and vesting of the Demerged Undertaking, shall be subject to the securities, charges and mortgages, if any subsisting as on Effective Date.

5. Borrowings

- (a) Upon the coming into effect of the Scheme, such of borrowings of the Transferor Company, which arose out of the activities or operations of the Demerged Undertaking and which are more particularly identified in Part 2 of Schedule 1 on the Appointed Date and to the extent they are outstanding on the Effective Date shall without any further act or deed be and stand transferred to the Resulting Company and shall become the borrowings of the Resulting Company which undertakes to meet, discharge and satisfy the same.
- (b) Upon coming into effect of the Scheme, so much of the amounts of the general or multipurpose borrowings of the Demerged Company as standing in the same proportion which the value of the assets of the Demerged Undertaking transferred to the Resulting Company bears to the total value of assets of the Demerged Company immediately before the Appointed Date and which are more particularly identified in Part 3 of Schedule 1 and to the extent they are outstanding on the Effective Date shall without any further act or deed be and stand transferred to the

Resulting Company and shall become the borrowings of the Resulting Company which undertakes to meet, discharge and satisfy the same.

The borrowings referred to in clause (a) and (b) above and more particularly set out in Part 2 and 3A of the Schedule 1 is hereinafter referred to as the "Transferred Liabilities".

- (c) Where any of the borrowings of the Transferor Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company and all loans raised and used and the borrowings incurred by the Transferor Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed stand transferred to the Resulting Company and shall become the borrowings of the Resulting Company which undertakes to meet, discharge and satisfy the same.
- (d) In so far as the existing charge or security in respect of the Transferred Liabilities is concerned such security shall without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been charged and secured in respect of the Transferred Liabilities as on the Effective Date. Provided however that if any of the assets comprised in the Demerged Undertaking have not been charged or secured in respect of the Transferred Liabilities as on the Effective Date, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets. Notwithstanding the above, the Resulting Company shall be liable for repayment of principal and payment of interest in relation to such Transferred Liabilities based on terms and condition mutually agreed amongst the Resulting Company, the Transferor Company and Lenders;
- (e) In so far as the assets comprised in the Remaining Business are concerned the security over such assets relating to Transferred Liabilities shall without any further act, instrument or deed be released and discharged from the obligations and security relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- (f) Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the security and charge over such assets relating to any loans, borrowing which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company) shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to any liabilities of the Remaining Business. Notwithstanding the above, the Transferor Company shall be liable for repayment of principal and payment of interest in relation to such of the loans, borrowing which are not transferred pursuant to this Scheme;
- (g) Without prejudice to the provisions of sub clauses (a) to (f) above, upon the Scheme becoming effective, the Demerged Company, the Lenders of the Demerged Company and the Resulting Company shall execute any instrument or documents or do all the acts and deeds as may be required, including the filing of necessary particular and /or modification(s) of charge, with the Registrar of Companies, Maharashtra to give formal effect to the above provisions, if required.

6. All the assets and liabilities of the Demerged Undertaking, as broadly set out in Schedule 1, and stated in Schedule 3, shall be transferred on the Appointed Date, at the values appearing in the books of the Transferor Company, immediately, before the demerger which are set forth in the statement set out in Schedule 3.

7. Contracts

- (a) Upon the 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 Undertaking to which the Transferor Company is a party or to the benefits of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto.
- (b) Without prejudice to the other provisions of the Scheme and notwithstanding that the vesting of the Demerged Undertaking with the Resulting Company occurs by virtue of this Scheme itself, the Resulting Company may, at its own costs at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be a party to the above but shall not be required to incur any cost in this behalf. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company 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 the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances (including those under the Urban Land Ceiling Act), authorities (including for the operation of bank accounts), powers of attorneys all in respect of the Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.
- (d) It is hereby clarified that if any assets (estate, 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 the Demerged Undertaking which the Transferor Company owns or to which the Transferor Company is a party to cannot be transferred to the Resulting Company for any reason whatsoever, the Transferor Company shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company and shall utilise, dispose or otherwise treat the same in such a manner as instructed by the Transferee Company in this regard and forward the benefits and proceeds of the same to the Resulting Company.
- (e) The Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, as it may, if the terms of a contract are reviewed, renegotiated with the parties and mutually agreed, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be a part to the above but shall not be required to incur any cost in this behalf. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out and perform all such formalities or compliances referred to above to be carried out or performed on the part of the Transferor Company.

8. Employees

- (a) The Resulting Company undertakes to engage, on and from the Effective Date, all employees of the Transferor Company relatable to the Demerged Undertaking as on the Effective Date (the "Transferred Employees"), without any interruption of service, on the terms and conditions not less favourable than those on which they are engaged by the Transferor Company prior to the Effective Date. The Resulting Company undertakes to continue to abide by any agreement/settlement entered into by the Transferor Company with Transferred Employees in respect of the Demerged Undertaking. The Resulting Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of the Transferred Employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- (b) In so far as the existing provident fund, and pension fund, maintained by the Transferor Company, for its employees (including the Transferred Employees) are concerned, the part of the funds referable to the Transferred Employees shall be transferred to the separate accounts of such funds set up by the Resulting Company. The Transferor Company and the Resulting Company shall take all necessary steps to separate such provident fund, pension fund, as soon as practicable. Until such time the accounts are separated and the policies are created the Resulting Company may, subject to necessary approvals and permissions, if any, continue to contribute in respect of the Transferred Employees to the account and under the policies maintained by the Transferor Company. Upon creation of new account and the policies, the entire contributions pertaining to the Transferred Employees shall be transferred by the Transferor Company/relevant authority to the new account or policies as the case may be.

9. Legal Proceedings

Upon the coming into effect of the Scheme, all legal or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future (whether before or after the Effective Date) in respect of any matter arising before the Effective Date and relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company after the Effective Date.

Provided however that the Resulting Company shall not be liable for any liability, loss, expenses, damages, taxes, charges, penalty etc. suffered and or incurred by the Transferor Company arising out of any demand on account of deficiencies or disallowance or breach or contravention or non-compliance of any statute, law, regulation, contract or agreement or otherwise, pertaining to the period prior to the Effective Date.

In the event that the legal proceedings referred to herein require both the Demerged Company and the Resulting Company to be added as parties thereto, the Demerged Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Resulting Company. However, the Demerged Company shall not be liable to incur any cost in prosecuting or defending such proceedings. In the event of any difference or difficulty in determining whether any specific legal or other proceedings relates to the Demerged Undertakings or not, the decision of the Boards of Directors of the Resulting Company and the Demerged Company as to whether such proceeding relates to the Demerged Undertaking or not, shall be conclusive evidence of the relationship with the Demerged Undertaking.

10. Carrying on business in trust:

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

- (a) the Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Demerged Undertaking and stand possessed of all the estates, assets, rights, title and interest of the Demerged Undertaking for and on account of, and in trust for, the Resulting Company;

- (b) the Demerged Company undertakes that it will from the Appointed Date and up to and including the Effective Date preserve and carry on the Demerged Undertaking with diligence, prudence and agrees that it will not, in any material respect without the prior written consent of the Resulting Company, alienate, charge or otherwise deal with or dispose of the Demerged Undertaking or any part thereof or recruit new employees or revise terms of employment, or conclude settlements with union or employees, or accept or compromise waive or settle any claim or take any new liability in each case except in the ordinary course of business or undertake substantial expansion of the Demerged Undertaking, other than expansions which have already been commenced or undertake any financial commitments on behalf of the Demerged Undertaking;
- (c) the Transferor Company shall carry on all business and activities relating to the Demerged Undertaking such that the principles of corporate governance usually followed in such transactions are observed.
- (d) all decisions on operational and/ or business transactions relating to items set out in Schedule 2 shall be made with prior consultation and agreement of the authorized representative of the Resulting Company appointed for such purpose.
- (e) all profits accruing to the Transferor Company, or losses arising or incurred by it (including the effect of taxes if any thereon) from the appointed date relating to the Demerged Undertaking shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Resulting Company.
- (f) the Transferor Company, its Board of Director, and the Key officials such as the Managing Director, Chief Executive officer and Chief Financial Officer of the Transferor Company shall in relation to the Demerged Undertaking, take all steps, action and deed in consultation with the representative and nominees of the Resulting Company.
- (g) the Transferor Company shall appoint a CEO and a CFO in consultation with or at the recommendation of the Resulting Company for the Demerged Undertaking to monitoring operational parameters and improve efficiencies. Such CFO and CEO of the Demerged Undertaking shall be entitled to
 - (i) have access to the books and records of the Demerged Undertaking;
 - (ii) to over see the operations of the Demerged Undertaking;
 - (iii) be invited and attend meetings of the Board of Directors of the Transferor Company and all such committees constituted by them only as far as the business to be transacted at such meeting pertaining to the Demerged Undertaking.
- (h) Proportionate costs shall be debited to the Demerged Undertaking (during the demerger process), for services rendered / facilities utilised by the Demerged Undertaking from the other divisions of the Transferor Company /corporate, shall not exceed (a) the allocated costs for such services as may be allocated based on a fair allocation mechanism or (b) Rs.15 lakhs per month, which ever is lower. Upon the Scheme coming into effect the Resulting Company shall decide on the need for continuation of such services from the Transferor Company and if the services are required, then both parties shall decide on a fair compensation to the Transferor Company for such services to be rendered for such period as may be mutually decided.
- (i) All transactions, including fund transfers between the Demerged Undertaking and the Remaining Business subsequent to the Appointed Date shall be at arms length and shall carry interest of 10% p.a. till the date of such transaction settlement.
- (j) The Demerged Company shall carry on the Remaining Business in terms of this Scheme distinctly and as a separate business from the Demerged Undertaking.

11. The Transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking under Clause 3 & 4 and the continuance of the proceedings by or against the Resulting Company under Clause 9 hereof shall not affect any transactions or proceedings already completed by the Transferor Company on and after the Appointed date to the end and intent that, the Resulting Company accepts all acts, deeds and things done and executed by the Transferor Company in concurrence with the Resulting Company, as acts, deeds and things done and executed by and on behalf of the Resulting Company.
12. From the date of the filing of this Scheme with the High Court and including the Effective Date, the Demerged Company shall not make any change in its capital structure in any manner either by way of an increase (including by way of equity and/or preference shares on a rights basis or by way of public issue, bonus shares and/or convertible debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner which may, in any way, affect the Entitlement Ratio as defined below except with the prior approval of the board of directors of the Resulting Company.

PART III – REMAINING BUSINESS

13. The Remaining Business and all the assets, investments, liabilities and obligations other than those identified in Part 1, Part 2 and Part 3(A) of Schedule 1 shall continue to belong to and be vested in and be managed by the Transferor Company.
14. All legal or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company which shall keep the Resulting Company fully indemnified in that behalf. The Resulting Company in no event shall be responsible or liable in relation to any such legal or other proceedings against the Transferor Company.
15. (i) With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company:
 - (a) shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business for and on its own behalf;
 - (b) all profits accruing to the Transferor Company thereon or losses arising or incurred by it including the effect of taxes (including advance taxes paid), if any, thereon relating to the Remaining Business shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferor Company.
- (ii) Upon the 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 Remaining Business to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferor Company.

PART IV –CAPITAL

The provisions of this Part shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument/deed or writing.

SECTION “A”

16. In view of the demerger, and as an integral part of the Scheme, the capital of Resulting Company shall be organized in the manner set out in Section “B” and “C” below and the capital of Demerged Company shall be reorganized in the manner set out in Section “D” below.

SECTION "B"

17. Upon the Scheme coming into Effect:

- (a) the Authorised share capital of the Resulting Company shall, without any further act on part of its shareholders or the Board of Directors, be deemed to have been reclassified and increased from Rs.40,00,00,000/- comprising 4,00,00,000 equity shares of Rs.10/- each, to Rs.78,94,26,386/- comprising 3,30,00,000 equity shares of Rs.10/- each aggregating to Rs.33,00,00,000/- (Rupees Thirty Three crores) and 1,48,20,206 - 4% non cumulative, redeemable non convertible preference shares of Rs.31 /- each aggregating to Rs.45,94,26,386/- (Rupees forty five crores ninety-four lakhs twenty-six thousand three hundred and eighty-six only).
- (b) Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Resulting Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94, and 394 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:

"The Authorised share capital of the Company is Rs.78,94,26,386/- comprising 3,30,00,000 equity shares of Rs.10/- each aggregating to Rs.33,00,00,000/- (Rupees Thirty-three crores) and 1,48,20,206 - 4% non cumulative, redeemable, non convertible preference shares of Rs.31/- each aggregating to Rs.45,94,26,386/- (Rupees Forty-five crores ninety-four lakhs twenty-six thousand three hundred and eighty-six only) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."

It is clarified that the approval of the members of the Resulting Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of the Resulting Company as required under Section 17 and other applicable provisions of the Act.

- (c) in consideration for the demerger of the Demerged Undertaking, including the transfer and vesting thereof in the Resulting Company pursuant to Part II of the Scheme, the Resulting Company shall, without any further payment, issue and allot on a proportionate basis to each member of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date, in the following ratio (the "Entitlement Ratio"):

- (i) Equity Shares -
One (1) Equity Share in the Resulting Company of Rs.10 each credited as fully paid-up for every One (1) Equity Share of Rs.10 each fully paid up held by such member in the Transferor Company.
- (ii) Preference Shares -
One (1) 4% non cumulative redeemable, non convertible Preference Share of Rs.31 /- each in the Resulting Company for every One (1) fully paid-up Equity Share of Rs.10 held by such member in the Transferor Company.

The Preference Shares shall have:

- (a) tenure of 18 months
- (b) face value Rs.31/-;
- (c) shall be redeemed at its face value ;
- (d) The Resulting Company shall have an option to redeem the Preference shares any time after one month from the Preference shares being issued and allotted;
- (e) the Preference Shares shall carry a fixed coupon or dividend rate of 4% p.a..

The Resulting Company shall make necessary application to the stock exchange for the listing of the Preference Shares.

The Share Capital Structure of the Resulting Company post the allotment of shares under this sub-clause (c) shall be as follows:

	Rs. in Lakhs
AUTHORISED SHARE CAPITAL	
3,30,00,000 Equity Shares of Rs.10 each (aggregating to Rs.33,00,00,000/-).....	7894.26
1,48,20,206 4% Non Cumulative, Redeemable, Non Convertible Preference. Shares of Rs.31/-; (aggregating to Rs.45,94,26,386) .	
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
Issued Allotted and Paid up Share Capital :	
2,30,42,142 Equity Shares of Rs.10 each	2304.21
Share Premium Account.....	7178.81
1,48,20,206 - 4% Non Cumulative, Redeemable, Non Convertible Preference Shares of Rs.31/-	4594.26
Advance towards subscription/Application Money	4850.00

- (d) The Board of the Resulting Company shall, within 48 hours after the issue and allotment of shares pursuant to clause 17(c) above, issue and allot, to Mahindra, further shares, without any further act on part of its Board or Shareholders of the Resulting Company,, the New Mahindra Shares (viz.49,78,444 number of equity shares of Rs.10/- at premium of Rs.87.42 representing approximately 17.76 % of the post issue equity share capital of the Resulting Company), the proceeds of which shall be utilized to redeem the 4% Non Cumulative, Redeemable, Non Convertible Preference Shares of Rs.45,94,26,386/- in compliance with Section 80 of the Act.
- (e) The Share Capital Structure of the Resulting Company post the allotment of shares under clause 17 above shall be as follows:-

	Rs. in Lakhs
AUTHORISED SHARE CAPITAL	
3,30,00,000 Equity Shares of Rs.10 each (aggregating to Rs.33,00,00,000/-).....	7894.26
1,48,20,206 - 4% Non Cumulative, Redeemable, Non Convertible Preference. Shares of Rs.31/-; (aggregating to Rs.45,94,26,386) .	
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
Issued Allotted and Paid up Share Capital :	
2,80,20,586 Equity Shares of Rs.10 each	2802.05
Share Premium Account.....	11530.96
1,48,20,206 - 4% Non Cumulative, Redeemable, Non Convertible Preference Shares of Rs.31/-	4594.26

- (f) the proceeds of issue and allotment of New Mahindra Shares shall be utilized for the propose of redeeming the Preference Shares in accordance with its terms and conditions and provisions of Section 80 of the Act.
18. Upon the approval of the Scheme by the shareholders of the Resulting Company pursuant to Section 391 of the Act, no further approval of the shareholders of the Resulting Company under Section 81(1A) of the Act or other provisions of the Act would be required with regard to allotment of the New Mahindra Shares under the Scheme, being 49,78,444 number of equity shares of Rs.10/- each of the Resulting Company at a premium of Rs.87.42/- per share.
19. In case any member's shareholding in the Transferor Company is such that the member becomes entitled to a fraction of an Equity Share of the Resulting Company, the Resulting Company shall not issue fractional Share Certificates to such member but shall consolidate such fractions and issue such consolidated Equity Shares in Trust to a trustee, who is nominated by the Board of Directors of the Resulting Company in that behalf, who shall sell such Shares and distribute the net of the proceeds to the shareholders respectively entitled to the same in proportion to their fractional entitlements.
20. Such Equity Shares to be issued and allotted by the Resulting Company in terms of clauses 16 and 17 above shall stand *pari passu* in all respects with the existing Equity Shares of the Resulting Company.
21. Equity Shares of the Resulting Company issued in terms of clauses 16 and 17 above, shall be listed on the relevant Stock Exchange/s, where the existing Equity Shares of the Transferor Company are listed and the Resulting Company shall pay the appropriate fee and incur all costs for the same.
22. The new Equity Shares and the Preference Shares issued pursuant to clauses 16 and 17 above shall be issued in the dematerialized form by the Resulting Company unless otherwise notified in writing by the shareholders of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Transferor Company, the new Equity Shares and Preference Shares shall be issued to such members in dematerialized form provided that the members of the Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon the Resulting Company shall issue and directly credit the demat/ dematerialized securities account of such members of the Transferor Company. In the event that the Resulting Company has received the notice from any of the members of the Transferor Company that the new Equity Shares and Preference Shares are to be issued in certificate form or if any member has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then the Resulting Company shall issue the new Equity Shares and the Preference Shares in certificate form in such number.

SECTION "C"

23. Unless otherwise determined by the Board of Directors or any Committee thereof of the Transferor Company and the Board of Directors or any Committee thereof of the Resulting Company, allotment of Shares in terms of Clause 17 of this Part shall be done within the prescribed statutory period from the Effective Date.

SECTION "D"

24. Upon the coming into effect of this Scheme and upon the transfer of the Demerged Undertaking, under and pursuant to the provisions of this Scheme and Section 100 and all other applicable provisions of the Act, if any, the issued, subscribed and paid up equity share capital of the Transferor Company shall stand reduced from the Appointed Date, in the manner as provided hereunder:

- (i) The issued, subscribed and paid up equity share capital of the Transferor Company shall be reduced from Rs.1482.02 lacs divided into 1,48,20,206 equity shares of Rs.10/- each fully paid to Rs.296.40 lacs divided into 1,48,20,206 equity shares of Rs.2/- each fully paid up.
- (ii) The deficit if any, in the value of the assets over the value of the liabilities of the Demerged Undertaking vested in the Resulting Company pursuant to the Scheme, after considering the reduction in share capital, shall be credited in the books of the Transferor Company to a reserve styled 'Reorganization Reserve'.
- (iii) The debit balance of the Profit and Loss Account of the Demerged Company as on the Appointed Date shall be written off against the balance in the Reorganization Reserve.
- (iv) The reduction of issued, subscribed and paid-up equity share capital of the Demerged Company as contemplated in this Scheme shall be carried out and effected as part of this Scheme without following the procedure laid down under Section 100 of the Act. The Demerged Company shall obtain the necessary approvals from its shareholders and creditors as required under Section 100 in terms of this Scheme only and the Demerged Company shall not nor shall be obliged to call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of issued, subscribed and paid up equity share capital as contemplated herein.

PART V

GUARANTEES

- 25.** The Transferee Company, on covenants and representations of the Transferor Company set out in its Deed of Warranties, agrees to guarantee to discharge debt of Rs.8,34,50,000/- of Remaining Business as of the Appointed Date. The Resulting Company also agrees to guarantee payment of interest on the above debt guaranteed from the Appointed Date.

PART VI

GENERAL TERMS & CONDITIONS

- 26.**
- (a) The Resulting Company, upon the coming into effect of this Scheme, an amount representing the excess of the liabilities over assets of the Demerged Undertaking in its books of account, together with the aggregate face value of the Share Capital issued by the Resulting Company to the members of the Transferor Company, to be debited to Goodwill account of the Resulting Company.
 - (b) All the Assets and Liabilities of the Demerged Undertaking recorded in the books of the Transferor Company shall stand transferred to and vested in the Resulting Company pursuant to the Scheme and shall be recorded by the Resulting Company at their respective book values as appearing in the books of the Transferor Company as on the Appointed Date. The Deferred Tax Asset as appearing in books of Accounts of the Transferor Company as on the Appointed Date will be taken over as Asset of the Demerged Undertaking/ the Resulting Company only to the extent of the deferred tax liability as on the Appointed Date taken over by the Demerged Undertaking/ the Resulting Company.
 - (c) With effect from the Appointed Date, the tax losses and unabsorbed depreciation relating to the Demerged Undertaking as determined in accordance with Section 72A of the Income Tax Act 1961, shall become the tax losses and unabsorbed depreciation of the Resulting Company.

27. (a) From the Appointed Date and up to the Effective Date, the Transferor Company and the Resulting Company shall not declare and pay dividends, whether interim or final, to their respective members in respect of the accounting period prior to the Appointed Date. After the Effective Date, both the Transferor Company & the Resulting Company can declare and pay dividends, whether interim or final, to their respective members.
- (b) The holders of the Shares of the Transferor Company and the Resulting Company 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.
- (c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Resulting Company and subject to the approval of the members of the Transferor Company and the Resulting Company respectively.
28. (a) The Transferor Company and the Resulting Company shall make necessary applications before the High Court, Bombay for the sanction of this Scheme of Arrangement under Sections 391 and 394 of the Act. The Transferor Company and the Resulting Company may in due course apply for one or more orders under Section 394 of the Act for vesting of the Demerged Undertaking under this Scheme.
- (b) The name of the Resulting Company will be changed from "Mahindra Automotive Steels Private Limited" to "Mahindra Automotive Steels Limited" in terms of this Scheme without any further act or deed on the part of the Resulting Company and the Resulting Company shall not nor shall be obliged to call for a separate meeting of its shareholders as required under Section 21 of the Act.
29. In the event of there being any pending Share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any Committee thereof of the Transferor Company at the sole discretion shall be empowered in appropriate cases, even subsequent to the Record Date or the Effective Date as the case may be effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Record Date in order to remove any difficulties in relation to the new Shares after the Scheme becomes effective and the Board of Directors of the Resulting Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transition period.
30. (a) the Transferor Company (by its Board of Directors) and the Resulting Company (by its Board of Directors) either by themselves or through a Committee appointed by them in this behalf, and with the consent of the other may, in their full and absolute discretion, make and/or assent to any alteration or modification to this Scheme, including but not limited to those which the Court and/or any other Authority may deem fit to approve or impose.
- (b) the Transferor Company (by its Board of Directors) and the Resulting Company (by its Board of Directors), either by themselves or through a Committee appointed by them in this behalf, may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture-holders of the respective companies), or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those to the extent permissible under Law.

- (c) Any issue as to whether any asset or liability pertains to the Demerged Undertaking or not shall be decided by the Boards of Directors of the Transferor Company and the Resulting Company, either by themselves or through a Committee appointed by them in this behalf on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Transferor Company).

31. The Scheme is conditional upon and subject to:

- (a) the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Transferor Company and the Resulting Company as required under Sections 21, 100, 391, and other applicable provisions of the Act and the requisite Orders of the High Court of Bombay as referred to in Clause 28 hereof being obtained; and
- (b) the Resulting Company and the lenders/secured creditors of Transferred Liabilities having agreed to the terms, conditions and securities of such Transferred Liabilities to their mutual satisfaction;
- (c) the sanction or approval under any law or of the Central Government or any other agency, department or authorities concerned in respect of any of the matters in respect of which such sanction or approval is required and obtained.
- (d) there has not occurred any force majeure event on or prior to the Effective Date that has renders the Demerged Undertaking unviable and/or any event that has a material adverse effect on the operation of the Demerged Undertaking has occurred and the intent and purpose of the transaction contemplated hereunder being frustrated.
- (e) the Transferor Company issuing a certificate that it has complied with the covenants and the representations and warranties set out in the Deed of Warranties are true and correct as on the Effective Date.
- (f) the certified copies of the Court Orders referred to in this Scheme in respect of the Transferor Company and the Resulting Company being filed with the Registrar of Companies, Maharashtra, Mumbai.

32. In the event of this Scheme failing to take effect finally by June 30, 2006 or by such later date as may be agreed by the respective Boards of Directors or Committee thereof of the Transferor Company and the Resulting Company, this Scheme shall become null and void in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. In such case the Transferor Company shall bear its own and all related costs.

33. In the event of non-fulfillment of any or all obligations under the Scheme by any Company towards the other Company, inter-se or to third parties and non-performance of which will put the other Company under any obligation, then such Company will indemnify all costs/interest, etc. to the other Company.

34. If any part of this Scheme is found to be unworkable for any reason whatsoever, in the sole discretion of the Transferor Company and the Resulting Company either by the Board of Directors or through Committee appointed by them in this behalf, the same shall not, subject to the decision of the Transferor Company and the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

35. All past, present and future costs, charges, levies, duties (including any stamp duty) and expenses in relation to or in connection with or incidental to this Scheme or the implementation thereof (including in relation to the issue of Shares by the Resulting Company and all matters related thereto and also including in relation to the transfer of the Demerged Undertaking) shall be borne and paid for by the Resulting Company.

Schedule 1

Part 1

Assets of the Demerged Undertaking as on the Appointed Date

Schedule of Assets of Demerged Undertaking -

- (1) The summarized book value of Fixed Assets of the Demerged Undertaking as on the Appointed Date would appear as under:

Items	Gross Block	Accumulated Depreciation	Net WDV
Freehold Land (Refer Note A)	51.74	0	51.74
Buildings/Covered Shed Area (Refer Note B)	859.92	155.46	704.46
Flats (Refer Note B).....	23.74	3.50	20.24
Plant & Machineries (Refer Note C)	4,331.88	2,231.28	2,100.60
Electrical installations	283.34	93.43	189.91
Data Processing Equipments	126.83	48.83	78.00
Furniture & Fixtures	71.32	19.38	51.94
Office Equipments	20.85	4.52	16.33
Vehicles	11.61	3.16	8.45
Total	5,781.23	2,559.56	3221.67

[Rs. in lakhs]

The Capital work-in-Progress of Demerged Undertaking as on the Appointed Date is Rs.183.73 lakhs.

NOTES :

(A) Short Description of the freehold property relating to the Demerged Undertaking

1. All the piece and parcel of land bearing Gut No. 856 situated at village Ambethan, within the Pune registration district, sub-division, Taluka : Khed and within the limits of Zilla Parishad, Pune and Grampanchayat, Ambethan and admeasuring OH=42 R and bounded on or towards the east by boundary of village Birdawadi, on or towards the west by land of Gut No.858, on or towards the south by land of Gut No.857 and on or towards the north by land of Gut No.858.
2. All the piece and parcel of land bearing Gut No. 857 situated at village Ambethan, within the Pune registration district, sub-division, Taluka: Khed and within the limits of Zilla Parishad, Pune and Grampanchayat, Ambethan and admeasuring O H=66 R and bounded on or towards the east by Nalla and boundary of village Birdawadi, on or towards the west by land of Gut No.858, on or towards the south by land of Gut No.858 and on or towards the north by land of Gut No.856.
3. All the piece and parcel of land bearing Gut No. 858 situated at village Ambethan, within the Pune registration district, sub-division, Taluka: Khed and within the limits of Zilla Parishad, Pune and Grampanchayat, Ambethan and admeasuring 8 H =66 R including well and bounded on or towards the east by land of Gut No.855, on or towards the west by land of Gut No.855, on or towards the south by boundary of village Birdawadi and on or towards the north by land of Gut No.859.

4. All the piece and parcel of land bearing Gut No. 859 situated at village Ambethan, within the Pune registration district, sub-division, Taluka: Khed and within the limits of Zilla Parishad, Pune and Grampanchayat, Ambethan and admeasuring 2 H=91 R and bounded on or towards the east by land of Gut No.855, on or towards the west by land of Gut No.40, on or towards the south by land of Gut No.858 and on or towards the north by land of Gut No.860.
5. All the piece and parcel of land bearing Gut No. 860 situated at village Ambethan, within the Pune registration district, sub-division, Taluka: Khed and within the limits of Zilla Parishad, Pune and Grampanchayat, Ambethan and admeasuring 2H=61R and bounded on or towards the east by land of Gut No.859, on or towards the west by land of Gut No.861 and 862, on or towards the south by Chakan–Ambethan Road and on or towards the north by land of Gut No.855.
6. Land outside factory - 80R (2 Acres) land at Dawadmala, Chakan Ambethan Road, Chakan, Taluka - Khed, Dist. - Pune - 410 501

(B) Residential Flats : Flat Nos. I-9 & 10, K-4 & 5 and K-7 & 8 (six flats) at –

The Shanta Niketan Co-operative. Housing Society Limited
33, Bhau Patil Road, Khadki, Pune 411 003.

Details / break-up of Covered Shed Area and Building:

Sl. No.	Particulars	Sqr. Mtrs.
Covered Shed and Building		
1.	Factory shed & Connected Toilets	7337.07
2	Watchmen Cabin	177.49
3	Administrative Building	663.60
4	Canteen	216.00
5	D. G. Set.....	71.03
6	Blower Shed	6.48
7	Panel Room.....	108.68
8	Sheering Shed 2.....	252.00
9	Die Yard.....	609.00
10	Weigh Room.....	19.89
11	Meter Room.....	11.97
12	Grinding Shed behind Shed	538.20
13	Temple.....	16.00
14	Scrap Yard (Welding – 1)	122.00
15	Scrap Yard (Welding – 2)	96.95
16	Heat treatment shed	5304.00
17	New Panel Room.....	65.00
18	Machining Shed.....	680.76

(C) All and singular the plant and machinery, engines, electricals and other installation equipments, implements, tools, appliances, fixtures, fittings, furniture, vehicles, machinery spare parts, accessories and stores relating to plant and machinery and other articles and things both present and future. A brief description of major machineries at Chakan is given below:

(1) Major Plant & Machineries of Demerged Undertaking with quantities mentioned in brackets

Press Lines	Balancing Equipments	Ancillary Equipments	Other facilities
5000 Ton Press (1)	Heater (2) 800 Ton Trim Press (1) Conveyor (1)	1000 Ton Coining Press (1) 630 Ton Coining Press (1) Hydraulic Straightening Press (4) VMC Machine (3)	Spectrometers (2) Tensile Testing Machine (1) Impact Testing Machine (1) Microscope (1)
3000 Ton Press (1)	Heater (1) 500 Ton Trim Press (1) Conveyor (1)	Magnaflux (10) Shotblasting (9) Table Blast (1)	CAD / CAM with Euclid / Idea / Catihar / Unigraphics / Autocad Forging Simulation Software
2500 Ton Press (1)	Heater (1) 500 Ton Trim Press (1) Conveyor (1) Reduce Roller (1)	Tumblast (6) Rubber belt blast (2) Drupp & Wrein (5+2)	1000 Ton Shearing Machine (1) 500 Ton Shearing Machine (2) Overhead Cranes 5 Ton (3)
1600 Ton Press (1)	Heater (1) 200 Ton Trim Press (1) Reduce Roller (1)	BFW VMC (3) Tafo VMC (1) HAAS VMC (1) ZNC / EDM EDM Machines (3)	Overhead Cranes 25 Ton (1) Overhead Cranes 1 Ton (1) Static Weigh bridge (1)
1000 Ton Press (1)	Heater (1) 200 Ton Trim Press (1) Reduce Roller (1)	Lathes (3) Heat Treatment Line Bafco (2) Heat Treatment Line Rohit Furnace (1) Bafco Stress Relieving Furnace (1)	Grinders Sufficient utilities incl. Compressors, Transformers, Generators etc.

Part 2

Liabilities of the Demerged Undertaking as on the Appointed Date

Liabilities arising out of the activities or operations of Demerged Undertaking

	PARTICULARS	NATURE OF LOAN / LIABILITY	AMOUNT (Rs.Lacs)
(A)	DIRECT LOANS/BORROWINGS :		
	South Indian Bank Limited	Long Term Loan.....	358.36
	L. I. C. of India.....	Long Term Loan.....	225.00
	L. I. C. of India.....	Funded Interest Term Loan	55.09
	L. I. C. of India.....	Funded Interest Term Loan – Interest on Long Term Loan.....	157.40
	L. I. C. of India.....	Funded Interest Term Loan – Interest on Funded Interest Term Loan	38.14
	Industrial Investment Bank of India	Long Term Loan.....	360.00
	Industrial Investment Bank of India	Funded Interest Term Loan	186.58
	Kotak Mahindra Bank Limited	Working Capital Loan.....	263.87
	Kotak Mahindra Bank Limited	Pre-Ship Advance (Unsecured)	795.46
	South Indian Bank Limited	Interest Accrued & Due on Term loan	370.86
	Electronica Leasing & Finance Ltd.	H. P. Loan.....	14.03
	Electronica Leasing & Finance Ltd.	H. P. Loan.....	16.39
	Sales Tax Loan	Interest free Loan.....	1920.76
		Total.....	4761.94
(B)	Other Liability / Provisions :		
	Sundry Creditors		4148.45
	Advances from Customers.....		79.87
	Other Current Liabilities		324.29
	Interest Accrued but not Due		8.12
	Gratuity		56.99
	Leave Encashment		17.70
		Total.....	4635.42

Part 3

Multi purpose and common borrowings as on the Appointed Date

Total General or Multi purpose and common borrowings of the Transferor Company as on appointed date is:

General or Multi purpose and Common borrowings

Part	PARTICULARS	NATURE OF LOAN / LIABILITY	AMOUNT (Rs. Lacs)	Status of the borrowings post Demerger
Part 3 A	State Bank of India	Working Capital Term Loan	887.00	Transferred to Resulting Company
Part 3 A	State Bank of India	Funded Interest Term Loan	722.00	Transferred to Resulting Company
Part 3 A	Union Bank of India	Working Capital Loan	180.15	Transferred to Resulting Company
Part 3 A	State Bank of India	Working Capital Loan	1493.98	Transferred to Resulting Company
Part 3 A	Atulya Trades & Agencies Limited	Interoperate Deposit	18.50	Transferred to Resulting Company
Part 3 A	Jaybros Investment & Trading Co. Pvt. Limited	Interoperate Deposit	2.00	Transferred to Resulting Company
Part 3 B	South Indian Bank Limited	Working Capital Loan	291.28	Remaining with Demerged Company
Part 3 B	South Indian Bank Limited	Working Capital Term Loan	320.00	Remaining with Demerged Company
Part 3 B	L. I. C. of India	FITL on Short Term Loan	111.83	Remaining with Demerged Company
Part 3 B	Nainesh Investment & Trading Co. Pvt. Limited	Inter Corporate Deposit	80.00	Remaining with Demerged Company
Part 3 B	Associated Capsules Pvt. Limited	Inter Corporate Deposit	50.00	Remaining with Demerged Company
Part 3 B	Allcargo Movers (India) Pvt. Limited	Inter Corporate Deposit	700.00	Remaining with Demerged Company
Part 3 B	Paam Pharmaceuticals & Allied Industries Limited	Inter Corporate Deposit	50.00	Remaining with Demerged Company
Part 3 B	Peddar Johnson Limited	Inter Corporate Deposit	15.00	Remaining with Demerged Company
Part 3 B	Vasa Consultants Limited	Inter Corporate Deposit	30.00	Remaining with Demerged Company
Part 3 B	Bombay Cable Co. Pvt. Limited	Inter Corporate Deposit	500.00	Remaining with Demerged Company
Part 3 B	Devidass Pvt. Limited	Inter Corporate Deposit	159.00	Remaining with Demerged Company
Part 3 B	Dhanlaxmi Fabrics Limited	Inter Corporate Deposit	50.00	Remaining with Demerged Company
Part 3 B	Kotak Mahindra Investments Limited	Inter Corporate Deposit	1300.00	Remaining with Demerged Company
		Total	6960.74	

Part 3 (A) Of the total amount of General or Multi purpose and common borrowings of the Transferor Company (of Rs.6960.74 lacs), Rs.3303.63 lacs represents the proportion (i.e. 47.46%) of the borrowing that stand in the same proportion to the value of assets of the Demerged Undertaking, immediately before the Appointed Date, transferred to the Resulting Company.

Part 3 (B) Of the total amount of General or Multi purpose and common borrowings of the Transferor Company (of Rs.6960.74 lacs), Rs.3657.11 lacs represents the proportion (i.e. 52.54%) of the borrowing that stand in the same proportion to the value of assets of the Remaining Business or Demerged Company, immediately before the Appointed Date, that will be continued with the Transferor or Demerged Company.

Schedule 2

List of Operational and Business Transactions

On and from the Appointed Date through the Effective Date, the Transferor Company undertakes not to, without the prior written consent of the Resulting Company, in relation to or affecting the Demerged Undertaking:

- (a) sell or otherwise dispose of (including by way of scrap and or write off) any material part of its assets or those relating to the Demerged Undertaking (or any interest therein);
- (b) unless permitted under the terms of this Scheme, appoint any additional directors or otherwise change its key management or personnel;
- (c) amend its Memorandum and Articles of Association,
- (d) change its financial year end;
- (e) acquire assets (or any interest therein) or enter into contract, otherwise than in the ordinary course of its business, or acquire any shares, partnership interests or other equity interest;
- (f) enter into any contract with any related party;
- (g) borrow any money in excess of Rs.10,00,000/-;
- (h) lend any money or give any guarantee or indemnity in favour of any party in respect of the performance or obligations of a third party or give any financial assistance in any way to any related party;
- (i) give up, whether in favour of a related party or otherwise, any right that it may have with respect to any properties, assets, or any intellectual property right that it may have, or that may be transferred pursuant to this Scheme;
- (j) declare, pay or make any dividend or distribution;
- (k) issue any securities of any kind.
- (l) unusual and or disproportionate increase the wages/salaries of the employees of the Demerged Undertaking;
- (m) inter unit transaction and or transfers of assets and or liabilities
- (n) inter-unit transfers of employees
- (o) changes to the business plan;
- (p) any capital expenditure;
- (q) any new Borrowings for the Demerged Undertaking;
- (r) any inter unit cash flow;
- (s) any managerial personnel / labour related issues (like new appointment, Change in designation or work content, Transfer within divisions, wage or salary revisions, acceptance of resignations etc.)
- (t) any sale or disposal of Fixed Assets
- (u) enter in to and perform any material contract
- (v) undertaking / Acceptance / Acknowledgment of any liability (including contingent liabilities)
- (w) change in terms of any lender / creditor / supplier / contractor or any party providing any services/goods etc.

Schedule 3

Audited accounts of the Demerged Undertaking as on 31st March, 2005

AMFORGE INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2005

(Rs. in Lacs)

	Schedule	NON-CHAKAN TOTAL (Proposed Remaining Business)	CHAKAN TOTAL (Proposed Demerged Undertaking)	CONSOLIDATED
		For the year ended 31 st March 2005	For the year ended 31 st March 2005	For the year ended 31 st March 2005
INCOME				
Operational Income	11	4,972.16	20,333.34	25,305.50
Accretion/(Decretion) to Stocks	12	(1,058.08)	563.55	(494.53)
Other Income.....	13	37.83	58.56	96.39
		3,951.91	20,955.45	24,907.36
EXPENDITURE				
Raw Material and Components Consumed	14	2,554.76	12,733.82	15,288.58
Payments to and Provisions for Employees	15	701.74	659.54	1,361.28
Manufacturing Expenses.....	16	1,635.44	4,060.68	5,696.12
Administrative, Selling and Other Expenses.....	17	417.58	851.73	1,269.31
		5,309.52	18,305.77	23,615.29
PROFIT BEFORE INTEREST & DEPRECIATION		(1,357.61)	2,649.68	1,292.07
Interest	18	170.78	730.71	901.49
PROFIT BEFORE DEPRECIATION & AMORTISATION		(1,528.39)	1,918.97	390.58
Depreciation	6	150.47	479.20	629.67
Amortisation	19	3.22	15.87	19.09
NET PROFIT/(LOSS)		(1,682.08)	1,423.90	(258.18)
Less : Bad Debts Written Off.....				14.49
Voluntary Retirement Scheme Expenses Written off..		169.02	-	169.02
Old & Obsolete Dies Written Off		78.37	-	78.37
Add : Other Extra Ordinary Gains (Net).....		467.63	-	467.63
PROFIT / (LOSS) FOR THE YEAR		(1,461.84)	1,423.90	(52.43)
Prior Years' Adjustments (Net)	20	(48.16)	12.55	(35.61)
NET PROFIT / (LOSS) BEFORE TAX		(1,510.00)	1,436.45	(88.04)
Provision for Tax - Current Tax		0.32	-	0.32
- Deferred Tax (Refer Note No. 21)		(1,195.62)	-	(1,195.62)
PROFIT/(LOSS) AFTER TAX		(2,705.94)	1,436.45	(1,283.98)
Earlier years (short) /excess provision for tax		-	(3.24)	(3.24)
Profit/(Loss) brought forward from previous year		(3,370.73)	-	(3,370.73)
Provision for Doubtful Debts and Advances		43.34		43.34
BALANCE CARRIED TO BALANCE SHEET		(6,134.50)	1,433.21	(4,701.29)
Basic / Diluted Earning Per Share +/- (Refer Note No. 27) ..		Rs.(10.40)	Rs.9.89	Rs.(0.90)
Notes Forming Part of The Accounts	21			

For **Bansal & Associates**
Chartered Accountants

For **Amforge Industries Limited**

S. K. Bansal
Partner
Membership No. 12288

Fali P. Mama - Director

Ajit P. Walwaikar - Vice President (Legal)
& Company Secretary

Mumbai, 27th June, 2005

AMFORGE INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2005

(Rs. in Lacs)

	Schedule	NON-CHAKAN TOTAL (Proposed Remaining Business)	CHAKAN TOTAL (Proposed Demerged Undertaking)	CONSOLIDATED
		For the year ended 31 st March 2005	For the year ended 31 st March 2005	For the year ended 31 st March 2005
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital.....	1	1,482.02	-	1,482.02
Reserves and Surplus	2	1,449.59	-	1,449.59
		2,931.61	-	2,931.61
Loan Funds				
Secured Loans	3	914.12	5,328.85	6,242.97
Unsecured Loans	4	3,057.69	2,736.72	5,794.41
		3,971.81	8,065.57	12,037.38
		6,903.42	8,065.57	14,968.99
APPLICATION OF FUNDS				
Fixed Assets :				
Gross Block.....	6	4,269.31	5,781.23	10,050.54
Less : Depreciation.....		2,888.30	2,559.56	5,447.86
Net Block.....		1,381.01	3,221.67	4,602.68
Add: Capital Work in Progress		7.70	183.73	191.43
		1,388.71	3,405.40	4,794.11
Investments.....	7	1,586.75	-	1,586.75
Current Assets, Loans and Advances				
Current Assets.....	8	6,612.99	6,186.50	12,799.49
Loans and Advances	9	1,574.18	492.72	2,066.90
		8,187.17	6,679.22	14,866.39
Less : Current Liabilities and Provisions.....	5	2,275.90	4,635.42	6,911.32
Net Current Assets		5,911.27	2,043.80	7,955.07
Deferred Tax Assets (Net) (Refer Note No. 21).....		179.82	-	179.82
Miscellaneous Expenditure (To the extent not written off or adjusted).....	10	453.24	-	453.24
		9,519.79	5,449.20	14,968.99
Notes Forming Part of The Accounts	21			

For **Bansal & Associates**
Chartered Accountants

S. K. Bansal
Partner
Membership No. 12288

Mumbai, 27th June, 2005

For **Amforge Industries Limited**

Fali P. Mama - Director

Ajit P. Walwaikar - Vice President (Legal)
& Company Secretary

AMFORGE INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2005

(Rs. in Lacs)

	NON- CHAKAN TOTAL (Proposed Remaining Business)	CHAKAN TOTAL (Proposed Demerged Under- taking)	CONSOLI- DATED
	For the year ended 31 st March 2005	For the year ended 31 st March 2005	For the year ended 31 st March 2005
Schedule 1			
SHARE CAPITAL			
Authorised :			
1,97,50,000 Equity Shares of Rs.10 each	1,975.00	-	1,975.00
25,000 15% Redeemable Cumulative Pref. Shares of Rs.100 each ..	25.00	-	25.00
	2,000.00	-	2,000.00
Issued, Subscribed and Paid up :			
1,48,20,206 (1,23,96,838) Equity Shares of Rs.10 each fully paid up (out of the above, 30,00,000 Equity Shares have been issued as Bonus Shares by capitalisation of General Reserve.....	1,482.02	-	1,482.02
24,68,370 Equity Shares have been issued to the shareholders of amalgamating Companies for consideration other than cash, and 2,80,000 Equity Shares have been allotted at par to one of the Financial Institutions on their exercising conversion option)			
Less : Calls in Arrears (Refer Note No. 6)	-	-	-
	1,482.02	-	1,482.02
Schedule 2			
RESERVES & SURPLUS			
CAPITAL RESERVE : As per last Balance Sheet	16.26	-	16.26
CAPITAL REDEMPTION RESERVE : As per last Balance Sheet.....	15.10	-	15.10
SECURITIES PREMIUM ACCOUNT : As per last Balance Sheet	1,226.11	-	1,226.11
Add : Additions during the year	605.84	-	605.84
Less : Calls in Arrears	0.00	-	-
	1,831.95	-	1,831.95
DEBENTURE REDEMPTION RESERVE : As per last Balance Sheet....	404.86	-	404.86
Less : Transferred to General Reserve	404.86		404.86
	-		-
INVESTMENT ALLOWANCE UTILISED RESERVE :			
As per last Balance Sheet	-	-	-
Less : Transferred to General Reserve	-		-
	-	-	-
GENERAL RESERVE :			
As per last Balance Sheet	3,882.71	-	3,882.71
Add : Transferred from Debenture Redemption Reserve	404.86		404.86
Add : Transferred from Invest. Allow. Util. Reserve.....	-		-
	-	-	4,287.57
Less : Balance in Profit and Loss Account	4,701.29	-	4,701.29
	(4,701.29)	-	(413.72)
	(2,837.98)	-	1,449.59

AMFORGE INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2005

(Rs. in Lacs)

	NON- CHAKAN TOTAL (Proposed Remaining Business)	CHAKAN TOTAL (Proposed Demerged Under- taking)	CONSOLI- DATED
	For the year ended 31 st March 2005	For the year ended 31 st March 2005	For the year ended 31 st March 2005
Schedule 3			
SECURED LOANS			
DEBENTURES :			
4,00,000, 16% Secured Redeemable Non-Convertible Debentures of face value Rs.100 each fully paid up [Due within one year Rs.Nil {Rs.400 Lacs}]	-	-	-
10,56,925, 14% Secured Redeemable Non Convertible Debentures Part B of face value of Rs.65 each fully paid up	211.97	-	211.97
Less : Calls in arrears.....	0.63	-	0.63
[Due within one year Rs.Nil {Rs.Nil lacs}]	211.34	-	211.34
	211.34	-	211.34
OTHER BORROWINGS			
Term Loans from Banks [Due within one year Rs.358.36 lacs {Rs.548.36 lacs}].....	-	1,967.36	1,967.36
Term Loans from Financial Institutions [Due within one year Rs.115.02 lacs {Rs.131.23 lacs}]	-	1,022.21	1,022.21
Working Capital Loans from Banks	611.28	1,938.00	2,549.28
Interest Accrued and Due.....	0.03	370.86	370.89
Other Loans.....	91.47	30.42	121.89
[Due within one year Rs.48.81 lacs {Rs.32.62 lacs}]	702.78	5,328.85	6,031.63
	914.12	5,328.85	6,242.97
Note : For details of nature of security, etc., refer Note no. 2 of Schedule 21			
Schedule 4			
UNSECURED LOANS			
Interest Free Sales Tax Loan [Due within one year Rs.2.96 lacs {Rs.2.30 lacs}].....	11.86	1,920.76	1,932.62
From Bank & Financial Institution [Due within one year Rs.Nil (Rs.20 lacs)]	111.83	795.46	907.29
From Companies	2,934.00	20.50	2,954.50
	3,057.69	2,736.72	5,794.41
Schedule 5			
CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES :			
Sundry Creditors.....	1,054.89	4,148.45	5,203.34
Advances from Customers.....	126.45	79.87	206.32
Deposits.....	8.87	-	8.87
Other Liabilities	860.37	324.29	1,184.66
Interest Accrued But Not Due	-	8.12	8.12
	2,050.58	4,560.73	6,611.31
PROVISIONS :			
Gratuity	174.17	56.99	231.16
Leave Encashment	51.15	17.70	68.85
	225.32	74.69	300.01
	2,275.90	4,635.42	6,911.32

AMFORGE INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2005

Schedule 6

FIXED ASSETS (Consolidated)

(Rs. In lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2004	During the year		As at 31st March, 2005	Upto 31st March, 2004	For the Year	Deduction / Adjust- ments	Upto 31st March, 2005	As at 31st March, 2005	As at 31st March, 2004
		Additions	Deduction / Adjust- ments							
Freehold Land	108.01	-	39.45	68.56	-	-	-	-	68.56	108.01
Leasehold Land	13.46	-	-	13.46	4.80	0.80	-	5.60	7.86	8.66
Buildings	1,389.90	265.30	194.95	1,460.25	439.98	42.51	83.31	399.18	1,061.07	949.92
Plant & Machinery and Electrical Installations*	7,162.81	901.03	237.20	7,826.64	4,397.59	542.44	222.94	4,717.09	3,109.55	2,765.22
Furniture Fixtures and Office Equipment	253.84	60.34	0.23	313.95	134.40	16.44	(0.32)	151.16	162.79	119.44
Vehicles **	285.22	85.88	3.41	367.69	148.65	27.48	1.29	174.84	192.85	136.57
Grand Total	9,213.24	1,312.55	475.24	10,050.55	5,125.42	629.67	307.22	5,447.87	4,602.68	4,087.82
<i>Previous Year</i>	9,141.43	677.64	605.83	9,213.24	5,224.80	434.86	534.24	5,125.42	4,087.82	3,916.53

Notes :

- Freehold Land includes certain land in possession of the Company, for which the execution of Conveyance in its favour is pending.
- Building include Rs. 0.03 Lacs being cost of shares in Co-operative Housing Societies.
- Adjustment Includes Rs. 156.91 Lacs which is removed from Gross block as well as accumulated Depreciation on Account of Dies which were transferred from Fixed Assets to Current Assets in FY 1998-99.
- * Includes Rs. 60.21 lacs (Rs. 84.10 Lacs) on hire purchase.
- ** Includes Rs. 191.47 Lacs (123.84) Lacs on hire purchase.

AMFORGE INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2005

Schedule 6

FIXED ASSETS – CHAKAN (Proposed Demerged Undertaking)

(Rs. In lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 1st April, 2004	During the year		As at 31st March, 2005	Upto 31st March, 2004	For the Year	Deduction/ Adjust- ments	Upto 31st March, 2005	As at 31st March, 2005
		Additions	Deduction/ Adjust- ments						
Freehold Land	51.74	-	-	51.74	-	-	-	-	51.74
Leasehold Land	-	-	-	-	-	-	-	-	-
Buildings	681.61	209.96	7.91	883.66	139.79	20.33	1.16	158.96	724.70
Plant & Machinery and Electrical Installations	3942.59	808.29	8.83	4742.05	1942.87	435.36	4.69	2373.54	2368.51
Furniture Fixtures and Office Equipment	65.97	36.16	9.96	92.17	19.82	5.58	1.50	23.90	68.27
Vehicles	77.74	7	73.13	11.61	12.93	6.74	16.51	3.16	8.45
Grand Total	4819.65	1061.41	99.83	5781.23	2115.41	468.01	23.86	2559.56	3221.67

Schedule 6

FIXED ASSETS – NON-CHAKAN (Proposed Remaining Business)

(Rs. In lacs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 1st April, 2004	During the year		As at 31st March, 2005	Upto 31st March, 2004	For the Year	Deduction/ Adjust- ments	Upto 31st March, 2005	As at 31st March, 2005
		Additions	Deduction/ Adjust- ments						
Freehold Land	56.27	-	39.45	16.82	-	-	-	-	16.82
Leasehold Land	13.46	-	-	13.46	4.80	0.80	-	5.60	7.86
Buildings	708.29	55.34	187.04	576.59	300.19	22.18	82.15	240.22	336.37
Plant & Machinery and Electrical Installations	3,220.22	92.74	228.37	3,084.59	2,454.72	107.08	218.25	2,343.55	741.04
Furniture Fixtures and Office Equipment	187.87	24.18	(9.73)	221.78	114.58	10.86	(1.82)	127.26	94.52
Vehicles	207.48	78.88	(69.72)	356.08	135.72	20.74	(15.22)	171.68	184.40
Grand Total	4,393.59	251.14	375.41	4,269.32	3,010.01	161.66	283.36	2,888.30	1,381.01

AMFORGE INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2005

(Rs. in Lacs)

	NON-CHAKAN TOTAL (Proposed Remaining Business)	CHAKAN TOTAL (Proposed Demerged Undertaking)	CONSOLIDATED
	For the year ended 31 st March 2005	For the year ended 31 st March 2005	For the year ended 31 st March 2005
Schedule 7			
INVESTMENTS			
Non-Trade :			
Long Term (Quoted) (At Cost)			
Equity Shares (Fully paid up)			
2,250 (2,250) Shares of Rs.10 each in Gajra Bevel Gears Limited	0.31	-	0.31
800 (800) Shares of Rs.10 each in Firth (India) Steel Co Limited....	0.12	-	0.12
0 (1,000) Shares of Rs.10 each in Eicher Limited.....	-	-	-
400 (Nil) Shares of Rs.10 each in Eicher Motors Limited.....	0.32	-	0.32
0 (8,240) Shares of Rs.10 each in Industrial Development Bank of India.....	-	-	-
0 (4,061) Shares of The South Indian Bank Limited	-	-	-
	0.75	-	0.75
Current (Unquoted) (Fully paid up)			
13265394.563 (Nil) Units of Rs.10 each of Templeton Floating Rate Income Fund - Short Term Growth	1,586.00	-	1,586.00
	1,586.75	-	1,586.75
1. Aggregate of quoted investments - Cost	0.75	-	0.75
- Market Value	1.24	-	1.24
2. Aggregate cost of unquoted investments	1,586.00	-	1,586.00

AMFORGE INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2005

(Rs. in Lacs)

	NON- CHAKAN TOTAL (Proposed Remaining Business)	CHAKAN TOTAL (Proposed Demerged Under- taking)	CONSOLI- DATED
	For the year ended 31 st March 2005	For the year ended 31 st March 2005	For the year ended 31 st March 2005
Schedule 11			
OPERATIONAL INCOME			
Domestic Sales	4,333.92	18,380.01	23,389.59
Export Sales	126.40	39.07	165.47
Export Incentives	17.04	-	17.04
Job Work	88.37	40.08	128.45
Scrap Sales	320.36	1,161.65	1,482.01
Sales Tax Set off	86.07	36.87	122.94
	4,972.16	19,657.68	25,305.50
Schedule 12			
ACCRETION/(DECRETION) TO STOCKS			
OPENING STOCK - Work in Progress	130.92	66.65	197.57
- Finished Goods	1,904.63	604.40	2,509.03
	2,035.55	671.05	2,706.60
CLOSING STOCK - Work in Progress	159.74	573.51	733.25
- Finished Goods	817.73	661.09	1,478.82
	977.47	1,234.60	2,212.07
ACCRETION / (DECRETION)	(1,058.08)	563.55	(494.53)
Schedule 13			
OTHER INCOME			
Dividend (Gross) [T.D.S. Rs.Nil (Rs.Nil)]	-	0.12	0.12
Interest (Gross) [T.D.S. Rs.2.84 Lacs (Rs. 1.78 Lacs)]	1.99	42.12	44.11
Profit on Sale of Assets	6.51	0.25	6.76
Profit on Sale of Investments - Long Term	2.39	-	2.39
Miscellaneous Sale	11.96	0.12	12.08
Miscellaneous Income	14.98	15.95	30.93
	37.83	58.56	96.39
Schedule 14			
RAW MATERIALS & COMPONENTS CONSUMED			
Opening stock	125.10	573.13	698.23
Add: Purchases	2,654.78	13,706.91	16,361.69
	2,779.88	14,280.04	17,059.92
Less : Closing stock (Including in Transit)	225.12	1,546.22	1,771.34
	2,554.76	12,733.82	15,288.58

AMFORGE INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2005

(Rs. in Lacs)

	NON- CHAKAN TOTAL (Proposed Remaining Business)	CHAKAN TOTAL (Proposed Demerged Under- taking)	CONSOLI- DATED
	For the year ended 31 st March 2005	For the year ended 31 st March 2005	For the year ended 31 st March 2005
Schedule 15			
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES			
Salaries, Wages, Bonus, etc.	497.93	516.27	1,014.20
Contribution to Provident and other Funds	162.69	56.49	219.18
Workers & Staff Welfare expenses.....	41.12	86.78	127.90
	701.74	659.54	1,361.28
Schedule 16			
MANUFACTURING EXPENSES			
Sub Contract Work	294.89	426.58	721.47
Power, Fuel and Oil.....	698.81	1,472.72	2,171.53
Dies Consumed / Amortized.....	131.40	231.17	362.57
Stores and Tools Consumed	176.84	242.26	419.10
Excise duty	265.43	1,372.45	1,637.88
Lease Rentals	1.30	3.74	5.04
Technical Fees	0.31	3.97	4.28
Machinery Repairs	55.37	304.87	360.24
Building Repairs	11.09	2.92	14.01
	1,635.44	4,060.68	5,696.12
Schedule 17			
ADMINISTRATIVE, SELLING & OTHER EXPENSES			
Rent, Rates & taxes	10.03	19.56	29.59
Insurance.....	7.70	5.70	13.40
Commission on sales	2.10	0.72	2.82
Freight and packing.....	77.33	363.15	440.48
General Repairs	13.83	13.42	27.25
Loss on Sale of Assets	69.54	3.44	72.98
Loss on sale of investments - Long term	0.41	-	0.41
Printing & Stationery.....	5.07	15.17	20.24
Telephone Expenses.....	11.07	13.06	24.13
Travelling & Conveyance.....	25.72	118.85	144.57
Cash Discounts	19.68	32.41	52.09
Exchange Rate Fluctuation (Net)	0.47	0.46	0.93
Other expenses	174.63	265.79	440.42
	417.58	851.73	1,269.31

AMFORGE INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH 2005

(Rs. in Lacs)

	NON- CHAKAN TOTAL (Proposed Remaining Business)	CHAKAN TOTAL (Proposed Demerged Under- taking)	CONSOLI- DATED
	For the year ended 31 st March 2005	For the year ended 31 st March 2005	For the year ended 31 st March 2005
Schedule 18			
INTEREST			
Debentures.....	-	45.10	45.10
Fixed Loans.....	-	351.04	351.04
Others.....	32.80	472.55	505.35
Allocation.....	137.98	(137.98)	-
	170.78	730.71	901.49
Schedule 19			
AMORTISATION			
Preliminary Expenses.....	3.22	9.58	12.80
Deferred Revenue Expenditure	-	6.29	6.29
	3.22	15.87	19.09
Schedule 20			
PRIOR YEAR ADJUSTMENTS			
Others (Net).....	(48.16)	12.55	(35.61)
	(48.16)	12.55	(35.61)

AMFORGE INDUSTRIES LIMITED

Schedule 21

NOTES FORMING PART OF THE DIVISIONAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005

1. The Board of Directors of the Company at its meeting held on 30th May, 2005 has proposed the Demerger of the Chakan division subject to all necessary approvals.
2. Further to Note No. 1 to Note No. 30 of the Notes to the Accounts of the Audited Annual Accounts for the year ended 31st March, 2005, approved by the Board of Directors of the Company on 30th May, 2005, Notes pertaining to the proposed Demerged Undertaking are given herein below.
3. This Divisional Accounts and the Proposed Demerged Balance Sheet have been prepared for the purpose of the Scheme and the Capitalised terms used in this Divisional Accounts shall have same meaning as ascribed to them in the Scheme. For the preparation of these Accounts some of the definitions in the Scheme have been briefly reproduced below.
 - (a) The Demerged Undertaking would be Chakan Division of the Company. "Demerged Undertaking" means the forging and other businesses carried out at Company's unit located at Gut No. 856-860, Chakan Ambethan Road, Taluka – Khed, District Pune, Maharashtra – 410 501, on a going concern basis and consisting inter alia all assets and all liabilities relating thereto, but excluding those pertaining to the Remaining Business.
 - (b) Assets and Liabilities of the Chakan undertaking and / or unit shall mean and include:

All assets pertaining to Demerged Undertaking as on 31st March, 2005 as stated at Book Value in the Demerged Balance Sheet.
 - (c) "Remaining Business" means all the business, units, divisions, and their respective assets and liabilities including that portion of general common and multipurpose borrowings of the Company, other than those being transferred to the Demerged Undertaking as per the scheme.
 - (d) Liabilities / Borrowings arising out of the activities or operations of the Demerged Undertaking are retained there so.
 - (e) General Common and Multipurpose borrowings of the Company have been allocated in the same proportion, which the Book Value of the Assets transferred in a Demerger bears to the total Book Value of the assets of the Company immediately before Demerger. Effectively Rs.3303.63 lacs being 47.46% of the total general purpose borrowings amounting to Rs.6960.74 lacs has been allocated to the Demerged Undertaking and more particularly described in the Part 3(A) of Schedule 1 of the Scheme of Arrangement (Demerger).
 - (f) The Assets and Liabilities shown in the Column titled as "CHAKAN TOTAL(Proposed Demerged Undertaking)" represents the assets and liabilities in relation to operations of the Demerged Undertaking as at the close of business hours on 31st March, 2005. Inter unit balance of Rs.2,616.37 Lacs stands nullified in the Audited Annual Accounts for the year ended 31st March, 2005.

4. In Note No. 7 of the Audited Annual Accounts for the year ended 31st March, 2005 regarding Contingent Liabilities, following amounts are pertaining to the Demerged Undertaking.

(Rs. in Lacs)

Contingent Liabilities not provided for	As at 31st March'2005
(i) Bank Guarantees outstanding in favour of the Government and other parties	23.73
(ii) Letters of Credit issued by banks on behalf of the Company and outstanding	911.42
(iii) Towards Excise Duty demands against which the Company has preferred appeal.....	59.46
(iv) Towards Custom Duty demands against which the Company has preferred appeal.....	30.40
(v) Others	165.78

In addition to the above, the Demerged Undertaking has availed Bill Discounting Facilities and the balance outstanding as at 31st March, 2005 is Rs.2077.21 Lacs.

5. In Note No. 8 of the Audited Annual Accounts for the year ended 31st March, 2005 regarding Estimated Contracts remaining to be executed on Capital Account, Rs.419.50 lacs pertains to the Demerged Undertaking.
6. In Note No. 10 of the Audited Annual Accounts for the year ended 31st March, 2005 regarding Exclusion of Inter unit transfers, Rs.675.66 lacs pertains to the Demerged Undertaking.
7. In Note No. 12 of the Audited Annual Accounts for the year ended 31st March, 2005 regarding Other Expenses, Donations of Rs.9 lacs & Directors Sitting Fees of Rs.0.41 lacs pertain to the Demerged Undertaking.
8. In Note No. 14 of the Audited Annual Accounts for the year ended 31st March, 2005 regarding Installed Capacity & Production, the following figures pertain to the Demerged Undertaking.

Capacity and Production	Unit	Installed Capacity (3 shifts basis)	Production
Forging.....	M.T.	29,000	22,463

- (i) Installed Capacity being a technical matter, is as certified by a Director and relied upon by the Auditors.
- (ii) Production of Forgings includes production on job-work for others 143 M.T.
- (iii) Heat Treatment facilities are utilized mainly for Internal processing / captive consumption.

9. In Note No. 15 of the Audited Annual Accounts for the year ended 31st March, 2005, regarding Turnover, Opening and Closing Stocks, the following figures are pertaining to the Demerged Undertaking.

Turnover, Opening and Closing Stocks :

(value in Rs.Lacs)

Unit	Turnover		Opening Stock		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value
Forging M.T.	22,853	*18,419.08	970	661.09	436	604.40

* Excludes Rs.675.66 lacs being inter unit transfers

10. In Note No. 16 of the Audited Annual Accounts for the year ended 31st March, 2005, regarding Raw Materials & Components Consumed, the following figures are pertaining to the Demerged Undertaking.

Raw Materials & Components Consumed :	M.T.	Rs. in Lacs
Steel.....	32,305	*12,733.82
Total.....		12,733.82

* Excludes Rs.675.66 lacs being inter unit transfers

11. In Note No. 17 of the Audited Annual Accounts for the year ended 31st March, 2005 regarding Value of Raw Materials & Components Consumed, the following figures are pertaining to the Demerged Undertaking.

Value of Raw Material and Components Consumed	Raw Material Steel	
	Rs. in Lacs	%
Indigenous	12,733.82	100

12. In Note No. 18 of the Audited Annual Accounts for the year ended 31st March, 2005, regarding C.I.F. Value of Imports, the following figures are pertaining to the Demerged Undertaking.

Value of Imports (C.I.F.)	Rs. in Lacs
i) Stores and Spares	24.07
ii) Capital Goods	92.51

13. In Note No. 19 of the Audited Annual Accounts for the year ended 31st March, 2005 regarding Earnings in Foreign Exchange, Rs.31.51 lacs pertains to the Demerged Undertaking.

14. In Note No. 20 of the Audited Annual Accounts for the year ended 31st March, 2005 regarding expenditure in Foreign currency, the following amounts are pertaining to the Demerged Undertaking.

Expenditure in Foreign Currency		Rs. in Lacs
i)	Foreign Travel.....	10.63
ii)	Subscription / Membership.....	1.04

15. In Note No. 21 of the Audited Annual Accounts for the year ended 31st March, 2005 regarding Deferred Tax Assets, the following explanation pertains to the Demerged Undertaking.

In terms of Accounting Standard – 22, issued by the Institute of Chartered Accountants of India (Accounting for Taxes on Income), for the current year, Deferred Tax Asset has been recognized only to the extent of Deferred Tax Liability determined for the year. Accordingly, net charge on this account is Rs.NIL.

The major components of the Deferred Tax Assets as on 31st March, 2005, based on the tax effects of the timing differences, are as follows:

		Rs. in Lacs
		Current Year
a)	Timing Difference of Depreciation between Taxation & Books of Accounts...	(448.29)
b)	Unabsorbed Depreciation	* 297.64
c)	Others	150.65
Total.....		Nil

* Considered to the extent, as there are compensatory timing differences, the reversal of which will result in sufficient future taxable income against which this can be realized.

16. In Note No. 26 of the Audited Annual Accounts for the year ended 31st March, 2005 regarding Related Party Disclosures the following amounts pertains to the Demerged Undertaking.

		Rs. in Lacs
i)	Payment of Remuneration / Fees	34.72
ii)	Payment of Interest.....	2.62
iii)	Payment of Rent	11.88
iv)	Inter Corporate Deposit Borrowed	53.50
v)	Inter Corporate Deposit Redeemed	64.75

Signatures to Schedules 1 To 21

For **Bansal & Associates**
Chartered Accountants

S. K. Bansal
Partner
Membership No. 12288

For **Amforge Industries Limited**

Fali P. Mama
Director

Ajit P. Walwaikar
Vice President (Legal) & Company Secretary

Mumbai, 27th June, 2005.

HIGH COURT
O O C J
COMPANY PETITION NO. 112 OF 2006
CONNECTED WITH
COMPANY APPLICATION NO. 872 OF 2005

In the matter of Companies Act, 1956
And
In the matter of Section 391 to 394 of the
Companies Act, 1956
And
In the matter of Scheme of Arrangement between

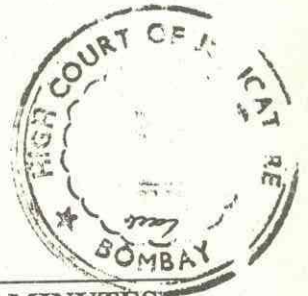
Amforge Industries Limited

And

Mahindra Automotive Steels Private Limited.

Mahindra Automotive Steels Private Limited

....Petitioner



**AUTHENTICATED COPY OF THE MINUTES
OF ORDER DATED 21ST MARCH, 2006**

ALONG WITH SCHEME

Dated this day of March, 2006

Applied on 23.3.2006
Engrossed on
Section Writer
Filed
Ex
Cm
Ready on 28.3.06
Delivered on 28-3-06

Khaitan & Co.,
Advocates for the Petitioner
Meher Chamber, 4th & 5th Floor,
R.K. Marg, Ballard Estate,
Mumbai - 400 038

SCHEME OF ARRANGEMENT
OF
MAHINDRA STOKES HOLDING COMPANY LIMITED
AND
MAHINDRA FORGINGS OVERSEAS LIMITED
AND
MAHINDRA FORGINGS MAURITIUS LIMITED
WITH
MAHINDRA FORGINGS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS



TRUE COPY
[Signature]
For M/S. KHAITAN & CO.

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SCHEME OF ARRANGEMENT

Of
MAHINDRA STOKES HOLDING COMPANY LIMITED
And
MAHINDRA FORGINGS OVERSEAS LIMITED
And
MAHINDRA FORGINGS MAURITIUS LIMITED
With
MAHINDRA FORGINGS LIMITED
And
THEIR RESPECTIVE SHAREHOLDERS

This Scheme of Arrangement provides for the amalgamation of Mahindra Stokes Holding Company Limited, Mahindra Forgings Overseas Limited and Mahindra Forgings Mauritius Limited as going concern with Mahindra Forgings Limited pursuant to Section 391 to 394 and other applicable provisions of the Companies Act, 1956, and Section 246 to 248 and Part II Section 4 of the Fourteenth Schedule of the Mauritius Companies Act, 2001. This Scheme also makes provisions for various other matters consequential or related thereto and otherwise integrally connected therewith.

RATIONALE

- (a) Mahindra Stokes Holding Company Limited ("MSHCL") (more particularly described herein after), holds an investment in Stokes Group Limited ("Stokes"), a United Kingdom Company having its principal place of business at Walsall, Birmingham. Stokes along with its subsidiaries namely, Stokes Forgings Dudley, Jensand Limited and Stokes Forgings Limited carries on forging business in the United Kingdom and having their manufacturing facilities at Walsall and Dudley.
- (b) Mahindra Forgings Overseas Limited ("MFOL") (more particularly described herein after), holds an investment through Mahindra Forgings International Limited ("MFIL"), a wholly owned Mauritian company, in Jeco Holdings AG ("Jeco") a company organized under the laws of Germany having its principal place of business at Aalen, Germany. Jeco Holding AG along with its subsidiaries namely Gesenkschmiede Schneider GmbH, JECO Jellinghaus GmbH, Falkenroth Umfirntechnik GmbH and Falkenroth Grundstücksgesellschaft mbH carries on forging business in Germany and has manufacturing facilities at Aalen, Gevelsberg and Schalksmühle, Germany.
- (c) Mahindra Forgings Mauritius Limited ("MFML") (more particularly described herein after), holds an investment through Mahindra Forgings Global Limited ("MFGL") a wholly owned Mauritian company, in Schoneweiss & Co. GmbH ("Schoneweiss") a company organized under the laws of Germany having its principal place of business at Hagen, Germany. Schoeneweiss & Co. GmbH, along with its subsidiaries namely Fried Huenninghaus GmbH & Co. KG and Fried Huenninghaus GmbH carries on forging business in Germany and has manufacturing facilities at Hagen and Gevelsberg, Germany.



- (d) Mahindra Forgings Limited ("MFL") (more particularly described herein after), carries on forging business in India.
- (e) All the Transferor Companies are subsidiaries of Mahindra & Mahindra Limited ("M&M").
- (f) In order to consolidate these forging businesses and in order to reap the benefits of operational synergy and enhance shareholder value, it is proposed to merge MSHCL, MFOL and MFML with MFL.

1. DEFINITIONS AND INTERPRETATIONS

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

"Act" means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force.

"Appropriate Authority" means any governmental, statutory, regulatory, departmental or public body or authority, including Securities and Exchange Board of India; Stock Exchanges; Registrar of Companies, Company Law Board and Courts of Relevant Jurisdiction.

"Appointed Date" means opening business hours of April 1, 2007.

"Applicable Laws" shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.

"BSE" shall mean the Bombay Stock Exchange Limited.

"The Effective Date" means the date on which all the conditions and matters referred to in Clause 17 hereof have been fulfilled, including a certified copy of the Order of the High Court of Judicature at Bombay sanctioning the Scheme of Arrangement being filed with the Registrar of Companies, Maharashtra, Mumbai and being filed with the Registrar of Companies of Mauritius.

"The Indian Transferor Company" means Mahindra Stokes Holding Company Limited, a company incorporated on March 21, 2007, under the provisions of





the Companies Act, 1956 and having its registered office at Mahindra Towers, PK Kurne Chowk, Worli, Mumbai 400018.

"Mauritius Act" means The Mauritius Companies Act, 2001, or any statutory modification or re-enactment thereof for the time being in force.

"The Mauritius Transferor Companies" means Mahindra Forgings Overseas Limited, a private company limited by shares incorporated on August 11, 2006 under the laws of Mauritius, holding a Category 2 Global Business Licence and having its registered office at c/o International Financial Services Limited, IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius, and Mahindra Forgings Mauritius Limited, a private company limited by shares incorporated on December 5, 2006 under the laws of Mauritius, holding a Category 2 Global Business Licence and having its registered office at c/o International Financial Services Limited, IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius.

"Relevant Jurisdiction" means the territories of the Republic of India; Mauritius, United Kingdom and Germany.

"Scheme", "the Scheme", "this Scheme" shall mean this Scheme of Arrangement in its present form submitted to the High Court of Judicature at Bombay or any other Appropriate Authority in the Relevant Jurisdictions with any modification thereof as the High Court or any other Appropriate Authority may direct.

"Subsidiaries" shall mean (a) as regards MFOL its subsidiaries Mahindra Forgings International Limited, Jeco Holding AG, Gesenkschmiede Schneider GmbH, JECO Jellinghaus GmbH, Falkenroth Umformtechnik GmbH and Falkenroth Grundstücksgesellschaft mbH (b) as regards MFML its subsidiaries Mahindra Forgings Global Limited, Schoeneweiss & Co. GmbH, Fried. Huenninghaus. GmbH & Co. KG and Fried Huenninghaus GmbH and (c) as regards MSHCL its subsidiaries Stokes Group Limited, Stokes Forgings Dudley, Jensand Limited and Stokes Forgings Limited.

"Transferee Company" means Mahindra Forgings Limited, a company incorporated on August 13, 1999 under the provisions of the Companies Act, 1956 and having its registered office at Mahindra Towers, P K Kurne Chowk, Worli, Mumbai- 400018.

"Transferor Companies" means the Indian Transferor Company and the Mauritius Transferor Companies.

"The Undertaking" shall mean and include:

- (a) All the assets, investments and properties of the Transferor Companies as on the Appointed Date (hereinafter referred to as "the said assets");
- (b) All the debts, liabilities, duties and obligations of the Transferor Companies including contingent liabilities as on the Appointed Date (hereinafter referred to as "the said liabilities");
- (c) Without prejudice to the generality of sub-clause (a) above, the Undertakings of the Transferor Companies shall include the reserves, balances in the Profit and Loss Account, the movable and immovable properties including plant and machinery, equipments, furnitures, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the Transferor Companies, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licenses, permits, authorisations, trade marks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc. all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions and approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief including under the Income Tax Act, 1961 such as credit for advance tax, taxes



deducted at source, brought forward accumulated tax losses, unabsorbed depreciation etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Companies as on the Appointed Date.

1.2 In this Scheme, unless the context otherwise requires:

- 1.2.1 words denoting the singular shall include the plural and vice versa;
- 1.2.2 reference in the Scheme to "coming into effect of the Scheme" or "effectiveness of the Scheme" shall mean the Effective Date;
- 1.2.3 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 1.2.4 references to the word "include" or "including" shall be construed without limitation;
- 1.2.5 a reference to an article, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, section, paragraph or schedule of this Scheme;
- 1.2.6 unless otherwise defined, the reference to the word "days" shall mean calendar days;
- 1.2.7 references to dates and times shall be construed to be references to Indian dates and times;
- 1.2.8 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 1.2.9 Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.



2. GENERAL

(A) The Transferee Company (i.e. Mahindra Forgings Limited)

- (i) The Transferee Company was incorporated on August 13, 1999. The Transferee Company is a listed company and its shares are listed on the Bombay Stock Exchange.

- (ii) As on June 5, 2007 the share capital of the Transferee Company is as under:

Authorised Rs.	Amount in Rs.
3,30,00,000 Equity shares of Rs.10/- each and 1,48,20,206 4% non cumulative, redeemable, non convertible preference shares of Rs.31/- each.	78,94,26,386 /-
Issued, Subscribed and Paid-up Rs.	Amount in Rs.
2,80,20,586 Equity shares of Rs.10/- each	28,02,05,860/-

- (iii) The main objects of the Transferee Company are as follows:

- (a) To carry on business as manufacturers of dealers in and marketing, selling of special steel rolled and forged long products, heavy castings, forgings and assembled components, all grades, types qualities, shapes, categories, and descriptions of mild and tool, alloy and special steels including, inter alia, alloy constructional steel, case hardening steel, nitriding steel, high speed steel, ball bearing steel, fast cutting steel, hot die steel, die steel, alloy spring steel, stainless and heat resisting steel, carbon tool steel, polished drill rods, silver steel, mining drill steel, high silicon and electrical steel, creep-resisting steel, valve steel, magnet steel, silicon manganese steel, and tree cutting quality steel, faggot steel, armour steel, shell steel and high tensile steel.
- (b) To carry on business as manufacturers of, dealers in and sellers of cold drawn and ground bars and sections, polished steel, silver steel, bright bars and shafting, ball and roller races, wheels, tyres and axles of all kinds, types and descriptions whatsoever, welded, seamless and extruded ferrous and non-ferrous tubes, including, inter alia, mechanical tubing, stainless steel tubing, boiler tubing, fin tubing, ball bearing steel tubes, extruded ferrous and non-ferrous sections and profiles of all types and shapes including hollow and solid sections, steel castings of all types and varieties, forgings, including, inter alia, die blocks, rings, discs, hubs, sleeves, shafts, crown wheels, cups, shanks, bolts, nuts, screws, stamping, rivets, wire ropes, standard wire, signal wire, piano wire blanks, manganese





alloys, pig iron, wrought iron, ferro-manganese, ferro-chromium, ferro silicon, silico-manganese, ferro-tungsten, ferro-vanadium, ferro-titanium, ferro-molybdenum, Spiegel iron, graphite electrodes, carbon electrodes, carbon blocks, calcium carbide, carborundum tungsten carbide tips, refractory bricks of any kind, type and description of whatsoever, permanent magnate and to carry on the manufacture, preparation, selling and distribution of any electro metallurgical, electro chemical products which may be usefully or conveniently combined with the business of the Company or otherwise calculated, directly or indirectly, to enhance the value of any of the Company's properties and rights for the time being.

- (c) To carry on the business of mechanical, electrical, railway, marine, aeronautical, agricultural, sanitary, civil and structural engineers, aluminum founders, iron founders, brass founders, casters, spinners, rollers and workers of metals and their alloys, founders of metals whether ferrous or non-ferrous welded by any process whatsoever of ferrous and non-ferrous metals and metal compounds, manufactures of welding appliances, tool makers, metal workers, boiler makers, mill wrights, machinists, manufactures of aluminum, magnesium, calcium, sodium, copper, brass, bronze, cobalt, titanium, zirconium, nickel and other metals and their alloys of all kinds and descriptions, tools and implements, sheets, that could be manufactured out of aluminum, iron, steel, brass, zinc, copper or any other kind of metals, converters of iron and steel and other metals, smiths, tin manufactures and tinkers, wheel wrights, wood workers, builders, painters, metallurgists, water supply engineers, gas makers, framers, nailers, brushers, electro-platers, silver-platers, nickel-platers, aluminum-platers, importers, exporters and distributors of all kinds of plant and machinery, apparatus, tools, component parts, accessories, and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in any kind of metals, machinery, implements, tools, accessories, hardware of all kinds and things necessary or convenient for carrying on the business.

- (B) The Mauritius Transferor Companies (i.e. Mahindra Forgings Overseas Limited ("MFOL") and Mahindra Forgings Mauritius Limited ("MFML"))
- (i) The Mauritius Transferor Company ("MFOL") was incorporated on August 11, 2006.

- (ii) As on June 5, 2007 the stated capital of MFOL is as under:

Issued, Subscribed and Paid-up Capital	Amount in Euros
72,000,001 ordinary shares of Euro 1 each	72,000,001

- (iii) MFOL holds a Category 2 Global Business License issued by the Financial Services Commission of Mauritius (the "FSC") in accordance with the laws of Mauritius. Under the Mauritius Act, a company holding a Category 2 Global Business License can merge with one or more companies incorporated under the laws of jurisdictions other than that of Mauritius.

- (iv) The Mauritius Transferor Company ("MFML") was incorporated on December 5, 2006.

- (v) As on June 5, 2007 the stated capital of the Mauritius Transferor Company ("MFML") is as under:

Issued, Subscribed and Paid-up Capital	Amount in Euros
3,29,73,334 ordinary shares of Euro 1 each	3,29,73,334

- (vi) MFML holds Category 2 Global Business License issued by the FSC in accordance with the laws of Mauritius. Under the Mauritius Act, a company holding a Category 2 Global Business License can merge with one or more companies incorporated under the laws of jurisdictions other than that of Mauritius.

- (C) **The Indian Transferor Company (i.e. Mahindra Stokes Holding Company Limited.)**

- (i) The Indian Transferor Company, incorporated on March 21, 2007.

- (ii) As on June 5, 2007 the share capital of the Indian Transferor Company is as under:

Authorised	Amount in Rs.
1,10,00,000 Equity shares of Rs.10/- each	11,00,00,000/-

Issued, Subscribed and Paid-up Rs.	Amount in Rs.
1,09,46,880 Equity shares of Rs.10/- each	10,94,68,800/-



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(iii) The main objects of the Indian Transferor Company is to invest money of the Indian Transferor Company in securities or in the acquisition of any stock, shares, bonds, debentures stock obligation, mortgages or securities of any Government, State or Municipality or of any Company or Corporation and generally to subscribe for, secure and hold, sell, exchange and deal in shares, stocks, bonds or debentures or securities of any Government or Public authority or Company.

3. AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY



- (a) Upon the coming into effect of the Scheme, the Undertakings of the Transferor Companies shall without any further act, instrument or deed be merged and transferred to and vested in or be deemed to have been transferred to and vested as a going concern in the Transferee Company pursuant to the applicable provisions of the Act and the Mauritius Act on and from the Appointed Date.
- (b) Notwithstanding what is stated in clause (a) above, it is expressly provided that such of the assets forming part of the Undertakings as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery of the same shall be so transferred by the Transferor Companies to the Transferee Company without any further act or execution of an instrument as on the Appointed Date.
- (c) Accordingly, in respect of such of the estates, assets, rights, titles, and interest including benefits, entitlements, provisions, concessions, remissions, accretions and appurtenances of the Transferor Companies prior to the Appointed Date and/ or thereafter up to the Effective Date, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, payment or by endorsement and delivery, shall be so transferred, without any further act or execution of an instrument by the Transferor Companies, and shall become the property as an integral part of the Transferee Company.
- (d) The Transferee Company may, at any time after the coming into effect of the Scheme in accordance with the provision thereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of secured creditors of the Transferor Companies or in favour of any other party to any contract or arrangement to which the Transferor Companies are parties or any writings that may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company, shall under the provisions of the

Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to implement or carry out all such formalities or compliance referred to above, or part of the Transferor Companies to be carried out or performed.

- (e) With effect from the Appointed Date, subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company, be required and except to the extent otherwise by law required, the reserves of the Transferor Companies will be merged with the corresponding reserves or general reserves of the Transferee Company. To the extent, if any, that any reserves of the Transferor Companies are required to be separately maintained/ designated in, the books of the Transferee Company, the Transferee Company shall credit the same in its books identifying and designating such reserves.
- (f) All assets acquired by the Transferor Companies after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in the Transferee Company.

4. TRANSFER OF LIABILITY

- (a) On and from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description of the Transferor Companies shall also be and stand transferred to and be deemed to stand transferred to the Transferee Company without any further act, instrument or deed under the provisions of Section 394 of the Act so as to become the debts, liabilities, duties and obligations of the Transferee Company. To the extent that there are any loans, outstandings or balances due from the Transferor Companies to the Transferee Company or vice versa, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company.
- (b) The transfer and vesting as per clause 3 and 4 (a) aforesaid, shall be subject to the existing charges and mortgages/ encumbrances, if any, over or in respect of any of the assets or any part thereof created by the Transferor Companies. Provided, however, that such charges/ mortgages/ encumbrances shall be confined only to the relative assets or part thereof as encumbered by the Transferor Companies and transferred to and vested in the Transferee Company on and from the Appointed Date and no such charges / mortgages / encumbrances shall extend over or apply to any other asset(s) or property(ies) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Companies are party) to any assets or property(ies) of the Transferor




Companies shall be so construed to the end and intent that such security, shall not extend or be deemed to extend to any of the other asset(s) or property(ies) of the Transferee Company.

5. LEGAL PROCEEDINGS

All legal proceedings of whatsoever nature by or against any of the Transferor Companies pending and / or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clause 3, shall be continued and / or enforced until the Effective Date as desired by MFL and as and from the Effective Date shall be continued and enforced by or against MFL in the manner and to the same extent as would or might have been continued and enforced by or against that respective Transferor Company.

6. EMPLOYEES

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- (a) The Transferee Company undertakes to engage, on and from the Effective Date, all employees of the Transferor Companies as on the Effective Date (the "Transferred Employees"), without any interruption of service, on the terms and conditions not less favorable than those on which they are engaged by the Transferor Companies prior to the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/settlement entered into by the Transferor Companies with Transferred Employees. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of the Transferred Employees with the Transferor Companies shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- (b) In so far as the existing statutory and other funds and benefits including but not limited to provident fund and pension fund, maintained by the Transferor Companies as on the Effective Date, for its employees (including the Transferred Employees) shall be transferred, as and from the Effective Date, to the new accounts of such funds set up by the Transferee Company for the benefits of the Transferred Employees.

7. CONTRACTS, DEEDS

- (a) Upon the 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 which the Transferor Companies are a party or to the benefits of which the Transferor Companies may be eligible, and which are subsisting or having effect immediately before

the Effective Date, shall without any further act on part of the Transferor Company or the Transferee Company be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto.

- (b) Without prejudice to the other provisions of the Scheme and notwithstanding that the vesting of the Transferor Companies with the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company may, at its own costs at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Companies are a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor Companies will, if necessary, also be a party to the above but shall not be required to incur any cost in this behalf. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.

8. **PERMITS, CONSENTS AND LICENSES**

For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances (including those under the Urban Land Ceiling Act), authorities (including for the operation of bank accounts), power of attorneys all in respect of the Transferor Companies shall stand transferred to the extent they are capable of being transferred under the Applicable Laws to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.

9. **SAVING OF CONCLUDED TRANSACTIONS**

The transfer of assets under Clause 3 above and/or the continuance of proceedings by or against the Transferee Company under Clause 5 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on or before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto.



10. TRANSACTIONS UP TO THE EFFECTIVE DATE

10.1 (a) With effect from the date of the approval of the Scheme by the respective Boards of Transferor and Transferee Companies and up to the Effective Date:

- (i) The Transferor Companies shall carry on and shall be deemed to have carried on its business and activities and shall stand possessed of and shall be deemed to have held and stood possessed of the assets referred to in Clause 3 above, on account of and in trust for the Transferee Company.
- (ii) The Transferor Companies shall carry on its business and activities with due business prudence and diligence and shall not without the prior written consent of the Board of Directors of the Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with the said assets referred to in Clause 3 above nor incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of its business.
- (iii) The Transferor Companies shall not alter their respective capital structure, either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, re-classification, sub-division, consolidation, reorganization or in any other manner except by and with the consent of the Board of Directors of the Transferee Company.
- (iv) The Transferor Companies shall not declare any dividend after the Appointed Date except with the concurrence of the Transferee Company.
- (v) The holders of the shares of the Transferor Companies and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under the constitutive documents of the respective Companies including right to receive dividends from the respective companies of which they are members till the date this Scheme finally takes effect i.e. the Effective Date.

(vi) It is clarified, however, that the provisions herein in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Companies or Transferee Company to demand or claim or be entitled to any dividend, which subject to the provisions of the said Act, shall be entirely in the discretion of their respective Board of Directors and, if required, the approval of the shareholders of the respective companies.

(b) All the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor Companies shall, for all purposes, be treated as and shall be deemed to accrue as the profits or income or expenditure or losses, as the case may be, of the Transferee Company.

10.2 The Transferee Company should be entitled, pending the sanction of the Scheme, to apply to the concerned authorities and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions, which the Transferee Company may require to carry on the business of the Transferor companies.

10.3 For the purposes of this clause the word Transferor Company shall mean to include the respective Subsidiaries of the Transferor Companies.

11. CAPITAL

11.1 In view of the amalgamation and as an integral part of the Scheme, the capital of the Transferee Company shall be increased in the manner set out in 11.2 below:

11.2 Upon the Scheme coming into Effect:

(a) the Authorised share capital of the Transferee Company shall, without any further act on part of it shareholders or the Board of Directors, be deemed to have been increased from 3,30,00,000 equity shares of Rs 10/- each aggregating to Rs 33,00,00,000/- (Rupees Thirty Three crores) and 1,48,20,206 - 4% non cumulative, redeemable non convertible preference shares of Rs 31 /- each aggregating to Rs 45,94,26,386/- (Rupees forty five crores ninety-four lakhs twenty-six thousand three hundred and eighty-six only) to 7,20,00,000 equity shares of Rs. 10/- each aggregating to Rs. 72,00,00,000 (Rupees Seventy Two crores only) and 1,48,20,206 - 4% non cumulative, redeemable non convertible preference shares of Rs 31 /- each aggregating to



Rs 45,94,26,386/- (Rupees forty five crores ninety-four lakhs twenty-six thousand three hundred and eighty-six only).

- (b) Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94, and 394 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:

"The Authorised share capital of the Company is Rs 115,94,26,386/- comprising 7,20,00,000 equity shares of Rs 10/- each aggregating to Rs 72,00,00,000/- (Rupees Seventy Two crores) and 1,48,20,206 - 4% non cumulative, redeemable, non convertible preference shares of Rs 31 /- each aggregating to Rs 45,94,26,386/- (Rupees forty five crores ninety-four lakhs twenty-six thousand three hundred and eighty-six only) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."

- 11.3 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of the Resulting Company as required under section 17 and other applicable provisions of the Act.

12. CONSIDERATION

- 12.1 Upon the Scheme coming into effect:
- (a) in consideration for the merger and vesting of the Undertaking of the MFOL the shareholders, whose name is recorded in the register of shareholders of MFOL on the Effective Date, shall without any further payment be issued and allotted equity shares of the Transferee Company in the ratio of 20 equity shares of Rs. 10 each credited as fully paid up for every 49 equity shares of ₹ 1 each held by such shareholder in the MFOL.



- (b) in consideration for the merger and vesting of the Undertaking of the MFML the shareholders, whose name is recorded in the register of shareholders of MFML on the Effective Date, shall without any further payment be issued and allotted equity shares of the Transferee Company in the ratio of 20 equity shares of Rs. 10 each credited as fully paid up for every 73 equity shares of ₹ 1 each held by such shareholder in the MFML.
- (c) in consideration for the merger and vesting of the Undertaking of the MSHCL the shareholders, whose name is recorded in the register of shareholders of MSHCL on the Effective Date, shall without any further payment be issued and allotted equity shares of the Transferee Company in the ratio of 20 equity shares of Rs 10 each credited as fully paid up for every 103 equity shares of Rs 10 each held by such shareholder in the MSHCL.

The share capital structure of the Transferee Company post the allotment of shares under clause 12.1 (a), (b) and (c) above shall be as follows:-

	Rs. In Lakhs
AUTHORISED SHARE CAPITAL 7,20,00,000 Equity shares of Rs. 10 each (aggregating to Rs. 72,00,00,000)	Rs 7200
1,48,20,206 - 4% non cumulative, redeemable, non convertible preference shares of Rs 31 /- each aggregating to Rs 45,94,26,386/-	Rs 4594.26
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL Issued Allotted and Paid up Share Capital: 6,85,67,739 Equity shares of Rs. 10 each;	Rs 6,856.77
Share Premium Account	Rs 1,480.99

- 12.2 In case any shareholder's holding in the Transferor Companies is such that the shareholder becomes entitled to a fraction of an Equity Share of the Transferee Company, the Transferee Company shall not issue fractional shares.
- 12.3 Such equity shares to be issued and allotted by the Transferee Company in terms of clauses 12.1 (a), (b) and (c) above shall stand *pari passu* in all respects with the existing equity shares of the Transferee Company.

- 12.4 Equity shares of the Transferee Company issued in terms of clauses 12.1 (a), (b) and (c) above, shall be listed on the relevant Stock Exchange/s, where the existing equity shares of the Transferor Companies are listed and the Transferee Company shall pay the appropriate fee and incur all costs for the same.
- 12.5 The new equity shares issued pursuant to clauses 12.1 (a), (b) and (c) above shall be issued in the dematerialized form by the Transferee Company unless otherwise notified in writing by the shareholders of the Transferor Companies to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Companies, the new Equity shares shall be issued to such shareholders in dematerialized form provided that the members of the Transferor Companies shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon the Transferee Company shall issue and directly credit the demat/ dematerialized securities account of such members of the Transferor Companies. In the event that the Transferee Company has received the notice from any of the shareholders of the Transferor Companies that the new Equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue the new Equity shares in certificate form in such number.
- 12.6 Unless otherwise determined by the Board of Directors or any Committee thereof of the Transferor Companies and the Board of Directors or any Committee thereof of the Transferee Company, allotment of Shares in terms of Clause 12.1 (a), (b) and (c) shall be done within the prescribed statutory period from the Effective Date.
- 12.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Companies, the Board of Directors or any Committee thereof, of the Transferor Companies at the sole discretion shall be empowered in appropriate cases, even subsequent to the Effective Date as the case may be effectuate such a transfer in the Transferor Companies as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of



implementation of the Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transition period.

13. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF TRANSFEREE COMPANY

13.1 On the Scheme becoming effective, Transferee Company shall account for the merger in its books as under:

- (a) All the assets and liabilities recorded in the books of the Transferor Companies shall stand transferred to and vested in Transferee Company pursuant to the Scheme and shall be recorded by Transferee Company at their book values as appearing in the books of the Transferor Companies.
- (b) All reserves and surplus, including but not limited to Special Reserve under Reserve Bank of India Act, 1934, Capital Redemption Reserve, General Reserve, Profit and Loss Account, of the Transferor Companies shall be transferred to and vested in Transferee Company in the same form in which they appear in the books of the Transferor Companies.
- (c) The difference, between the amount recorded as share capital on issue of the Equity shares in terms of Clause 12.1 above, and the amount of share capital of the Transferor Companies shall be credited or debited as the case may be to the General Reserve Account which account shall be deemed to be general reserve for all purposes under the provisions of the Act.

13.2 In case of any difference in accounting policy between the Transferor Companies and Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the reserves of Transferee Company to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.

14. DISSOLUTION OF THE TRANSFEROR COMPANIES

On the Scheme becoming operative, the Indian Transferor Company shall be dissolved without winding up and the Mauritius Transferor Companies shall be removed from the Register of Companies maintained by the Mauritian Registrar of Companies in accordance with the Mauritius Act, and dissolved without winding up.



15. APPLICATION TO BOMBAY HIGH COURT

- (a) The Indian Transferor Company and the Transferee Company shall, make applications to the Bombay High Court under Section 391 and Section 394 and other applicable provisions, if any, of the Act, for an order sanctioning this Scheme of Arrangement between the Transferor Companies and the Transferee Company.
- (b) The Mauritius Transferor Companies shall initiate and pursue all actions necessary under the Applicable Laws of Mauritius including filing of a certified copy of the Order of the Bombay High Court with the Registrar of Companies in Mauritius, to enable him to strike off the name of the Mauritius Transferor Companies from the Register.
- (c) The Transferor Companies shall take all necessary steps for sanctioning of this Scheme and for their dissolution without winding up, and apply for and obtain such other approvals, if any, required under the Applicable Laws.



16. APPROVALS AND MODIFICATIONS

- (a) The Transferor Companies and the Transferee Company may assent from time to time on behalf of all the persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which the Bombay High Court and/or the Mauritius authorities and/or any other competent authorities, if any, under the law, may deem fit and approve of or impose.
- (b) the Transferor Companies and the Transferee Company may in their discretion deem fit and may resolve all doubts or difficulties that may arise for carrying out this Scheme to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture-holders of the respective companies), or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those to the extent permissible under Law and do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect.
- (c) The aforesaid powers, under clauses (a) and (b) above, of the Transferor Companies and the Transferee Company may be exercised by their respective Board of

Directors, a committee of the concerned Board or any director, authorities in that behalf by the concerned Board of Directors (hereinafter referred to as the "delegate").

- (d) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferee Company may give and is hereby authorized to determine and give all such directions as are 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.

17. CONDITIONALITY OF THE SCHEME

This Scheme is conditional upon and subject to:

- (a) The requisite sanction or approval of the Appropriate Authorities being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.
- (b) Approval by the requisite majority of the shareholders of each of the Transferor Companies and the Transferee Company, as directed by the Hon'ble High Court of Bombay under the Act, and as required under the Mauritius Act.
- (c) In the event of any such consents, approvals, permissions, resolutions, agreements, sanctions or orders not being so obtained or passed or, obtained, being subject to any conditions, restrictions not reasonably acceptable to the Board of Directors of the Transferor Companies or the Transferee Company, this Scheme shall become null and void, and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se by either of the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other persons save and except in respect of any act or deed done prior thereto, as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own cost unless otherwise mutually agreed.
- (d) The Transferee Company shall have entered into the following agreements under Section 4(2)(b) of Part II of the Fourteenth Schedule of the Mauritius Act:





- (i) an agreement that a service of process may be effected on it in Mauritius in respect of proceedings for the enforcement of any claim, debt, liability or obligation of a constituent company incorporated under the Mauritius Act (the Mauritius Transferor Companies) or in respect of proceedings for the enforcement of the rights of a dissenting member of a Mauritius Transferor Company;
 - (ii) an irrevocable appointment of the Mauritius Registrar of Companies as its agent to accept service of process in proceedings referred to in sub clause (i) above;
 - (iii) Based on this the Transferee Company will appoint such person as is acceptable to the Mauritius Registrar of Companies, as its agent to accept service of process in respect of proceedings, as set out in sub clause (i) above;
 - (iv) an agreement that it shall promptly pay to the dissenting members of a Mauritius Transferor Company the amount, if any, to which they are entitled under the Mauritius Act with respect to the rights of dissenting members;
- (e) The Certified copies of the Orders of High Court of Judicature at Bombay or any other Appropriate Authority under Section 391 and 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai.
- (f) All other sanctions and approvals as may be required by law including registration of the order of the High Court at Bombay or any other Appropriate Authority, by the Registrar of Companies, Maharashtra, under Section 103 of the Act in respect of this Scheme being sanctioned.
- (g) In the event of this Scheme failing to take effect finally by December 31, 2007 or by such later date as may be agreed by the respective Boards of Directors or Committee thereof of the Transferor Companies and the Transferee Company, this Scheme shall become null and void in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person. In such case the Transferor Companies shall bear its own and all related costs.
- (h) In the event of non-fulfillment of any or all obligations under the Scheme by any Company towards the other Company, inter-se or to third parties and non-performance of which will put the other Company under any obligation, then such Company will indemnify all costs/interest, etc. to the other Company.

- (i) If any part of this Scheme is found to be unworkable for any reason whatsoever, in the sole discretion of the Transferor Companies and the Transferee Company either by the Board of Directors or through Committee appointed by them in this behalf, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

18. FILINGS WITH THE MAURITIUS AUTHORITIES

The Mauritius Transferor Companies shall cause to file with the Mauritius Registrar of Companies: (a) their respective Board and Shareholder Resolutions approving this Scheme, (b) this Scheme, (c) the agreements referred to in Clause 17(d) above, and (d) the Certified copy of the Order passed by the Bombay High Court, with the Mauritius Registrar of Companies accepting this as sufficient evidence of the Scheme being sanctioned, and thus constituting a certificate of merger or consolidation issued by the Appropriate Authority of India.

Upon the filing of the above documents the Mauritius Registrar of Companies will remove the Mauritius Transferor Companies from the Register of Companies that it maintains.

19. COSTS, CHARGES AND EXPENSES

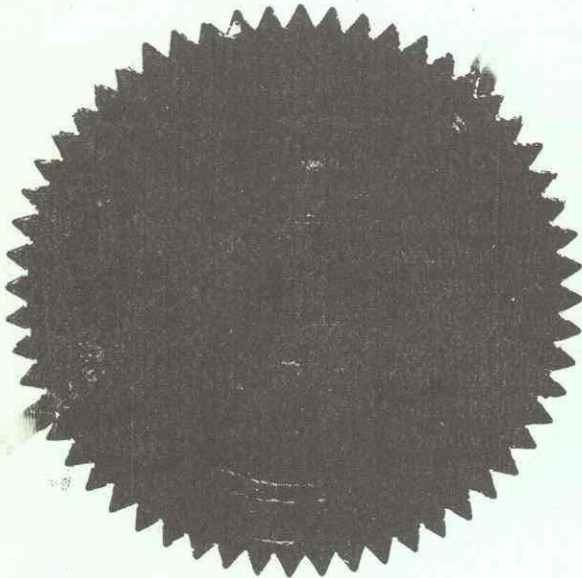
All costs, charges, taxes, including stamp duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.



TRUE-COPY
D. Narvekar
D. NARVEKAR
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY
13/11/02

TRUE COPY

M/s. Khaitan & Co.
M/S. KHAITAN & CO.



CERTIFIED TO BE A TRUE COPY
this 19th day of May 2008

[Signature]
For Prothonotary and Master
[Signature]

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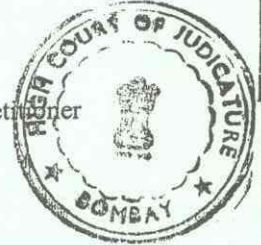
C-3784
2007

IN THE HIGH COURT OF JUDICATURE AT
BOMBAY
ORDINARY ORIGINAL CIVIL
JURISDICTION
COMPANY PETITION NO.794 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.876 OF 2007

In the matter of the Companies Act, 1956
And
In the matter of Sections 391 to 394 of the
Companies Act, 1956.
And
In the matter of Scheme of Arrangement between
Mahindra Stokes Holding Co. Ltd.
And
Mahindra Forgings Overseas Ltd.
And
Mahindra Forgings Mauritius Ltd.
With
Mahindra Forgings Ltd.
And
Their Respective Shareholders.

Mahindra Forgings Ltd.

....Petitioner



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AUTHENTICATED COPY OF THE ORDER
DATED 23RD NOVEMBER, 2007 ALONG
WITH SCHEME

Applied on 8/2-2007
Engrossed on 8/2-2007
Section Writer
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Compared with [Signature]
Ready on
Delivered on

Applied on 13/2/2008
Engrossed on 17/3/2008
Section Writer [Signature]
Folios 27 Pages
Examined by [Signature]
Compared with [Signature]
Ready on 19 MAR 2008
Delivered on 19/3/08

KHAITAN & CO.,
Advocates for the Petitioner Company
4th & 5th Floor, Meher Chamber,
Ballard Estate, Mumbai - 38

18 MAR 2008

HIGH COURT, BOMBAY

217714

CSP nos. 483, 484, 485 and 486 of 2014

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 483 OF 2014

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 266 OF 2014

Mahindra Hinoday Industries Limited [CIN: U27100MH2007PLC173636] ...Petitioner

AND

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 484 OF 2014

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 267 OF 2014

Mahindra Ugine Steel Company Limited [CIN: L99999MH1962PLC012542] ...Petitioner

AND

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 485 OF 2014

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 268 OF 2014

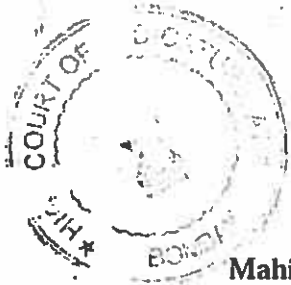
Mahindra Investments (India) Private Limited
[CIN: U93000MH2013PTC242473]

...Petitioner

AND

1

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HIGH COURT, BOMBAY

217713

CSP nos. 483, 484, 485 and 486 of 2014

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 486 OF 2014

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 269 OF 2014

Mahindra CIE Automotive Limited [CIN: L27100MH1999PLC121285] ...Petitioner

In the matter of the Companies Act, 1956;

-And-

In the matter of Petition under Sections 391 to 394 read with other relevant provisions of the Companies Act, 1956;

-And-

In the matter of Scheme of Amalgamation of
Mahindra Hinoday Industries Limited (Transferor
Company 1)
and
Mahindra UGINE Steel Company Limited (Transferor
Company 2)
and
Mahindra Gears International Limited (Transferor
Company 3)
and
Mahindra Investments (India) Private Limited
(Transferor Company 4)
and
Participaciones Internacionales Autometal TRES, S.L.
(Transferor Company 5)
with
Mahindra CIE Automotive Limited (formerly known as
Mahindra Forgings Limited) (Transferee Company).

HIGH COURT, BOMBAY

217712

CSP nos. 483, 484, 485 and 486 of 2014

Called for Hearing:

Mr. Zal Andhyarujina along with Mr. Simil Purohit and Mr. Tapan Deshpande, Advocates instructed by Amarchand & Mangaldas & Suresh A. Shroff & Co., Advocates for Petitioner Companies.

Ms. S.I. Shah and Ms. Purnima Awasthi, Advocates i/b. Mr. H.P. Chaturvedi, for Regional Director in all Petitions

Mr.S. Ramakanta. Official Liquidator present in CSP nos. 483, 484 and 485 of 2014

Coram S. J. Kathawalla, J.

Date: 31st October, 2014

PC

1. Heard Counsel for parties.
2. M/s. Astute Engineering Services Private Limited being creditor of Transferor Company 1 has filed their objection to the proposed Scheme which is arising out of certain transactions. The counsel for the Petitioner Company submits that by an order dated 30th September, 2014, passed by this Court in the said Petition, the dispute between the said Objector and the Transferor Company 1 has been directed to be referred to an Arbitrator and on the basis thereof, the winding up Petition has been disposed off. Counsel for the Petitioner Company further states that the liability, if any, arising out of the said dispute in the said arbitration proceedings will be binding on the Transferee Company. Moreover as per the Scheme liabilities, if any of the Transferor Companies will continue to be borne by the Transferee Company. Hence it is submitted that the interest of the said Objector is not any way affected by sanctioning the Scheme.
3. Learned Advocate for the Petitioner Company states that the Petitions have been filed to seek sanction to the Scheme of Amalgamation of Mahindra Hinoday Industries Limited (Transferor Company 1) and Mahindra UGINE Steel Company Limited (Transferor Company 2) and Mahindra Gears International Limited (Transferor

3

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Company 3) and Mahindra Investments (India) Private Limited (Transferor Company 4) and Participaciones Internacionales Autometal TRES, S.L. (Transferor Company 5) with Mahindra CIE Automotive Limited (formerly known as Mahindra Forgings Limited) (Transferee Company) (Scheme), pursuant to the provisions of Section 391 to 394 of the Companies Act, 1956.

4. The Transferor Company 1 is engaged, *inter alia*, in the business of manufacture and sale of parts, including but not limited to parts used in automotive industry, using castings (ductile iron and CG Iron grades). The Transferor Company 2 is engaged, *inter alia*, in the business of manufacture and sale of parts, including but not limited to parts used in automotive industry, using stampings (cold stamped HR/ CR steel grades). The Transferor Company 4 is engaged, *inter alia*, in the business of acting as an investment holding company. The Transferee Company is engaged *inter alia* in the business of manufacture and sale of parts, including but not limited to parts used in the automotive industry, using machining and forgings (hot forged ferrous grades excluding stainless steel), manufacturer of forged and machined products, manufactures a variety of auto components in India, primarily being crankshafts, stub axles, steering knuckles, links, knuckles, spindles, shafts, pistons and ball joints that are used in various industries and produces steering components for commercial vehicles.

5. The learned Advocate for the Petitioner Companies says that the rationale and significant benefits of the Scheme are that, The Transferor Companies and the Transferee Company, amongst others, have entered into an agreement dated 15th June, 2013, pursuant to which it has been agreed to amalgamate the Transferor Companies into the Transferee Company, on the terms and conditions as set out in the Scheme of

Amalgamation and in compliance with the provisions of Sections 2(IB) of the Income Tax Act, 1961; and (b.) The Transferor Company 1, Transferor Company 2, Transferor Company 3 and the Transferee Company are engaged in complementary businesses. CIE Automotive S.A., a company incorporated under the laws of Spain, having its registered office at Iparraguirre n° 34, 2° derecha, 48011 Bilbao (Spain), being in control of Petitioner Company, Transferor Company 5 and the Transferee Company, believes that combining the businesses of the Transferor Companies and the Transferee Company will result in enhancing shareholder value for the shareholders of each of the Transferor Companies and the Transferee Company.

6. The Board of Directors of the Transferor Companies and the Transferee Company, have approved said Scheme by passing their respective board resolutions which are annexed to the respective Petitions.

7. The Learned Advocate for the Petitioner Companies states that the Petitioner Companies have complied with all the directions passed in the respective Company Summons for Direction and that the respective Company Scheme Petitions have been filed in consonance with the orders passed in respective Company Summons for Direction.

8. The Learned Advocate appearing on behalf of the Petitioner Companies has stated that the Petitioner Companies have complied with all requirements as per directions of this Court and they have filed necessary Affidavit of compliance in the Court. Moreover the Petitioner Companies undertake to comply with all statutory requirements if any, as required under the Companies Act, 1956/2013 and the Rules made thereunder whichever is applicable. The said undertakings are accepted.

9. The Regional Director has filed an Affidavit dated 1st October, 2014 stating therein that save and except as stated in paragraph 6, of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6 of the said affidavit it is stated that :

"6. That the Deponent further submits that:-

- (a) *With reference to clause 17(a) of Part III of the scheme it is submitted that the reserve, if any, arising out of the scheme may be transferred to Capital Reserve of the Transferee Company.*
- (b) *As provided in clause 18 of the scheme, the 3rd Transferor Company and 5th Transferor Company shall take appropriate steps for dissolution of those companies as per the Law of Mauritius and Spain respectively.*
- (c) *Shareholders of 3rd and 5th Transferor Companies are foreign body corporate and for allotment of shares to other foreign body corporate/NRI of other Transferor Companies, the Transferee Company may be directed to comply with FEMA/RBI regulations as applicable in this regard.*
- (d) *With reference to clause (g) and (h) of section 3 of Part II of the scheme, it is submitted that as the 3rd and 5th Transferor Companies are situated outside the territorial jurisdiction of Republic of India, authorized capital of such Transferor Companies shall not be merged with the authorized capital of the Transferee Company.*
- (e) *That the Deponent further submits that the Tax issue if any arising out of this scheme shall be subject to final decision of Income Tax Authority and approval of the scheme by Hon'ble High Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the petitioner company after giving effect to the amalgamation, The decision of the Income Tax Authority is binding on the petitioner company."*

10. As far as observation in paragraph 6 (a) of the said Affidavit is concerned, the Transferee Company undertakes that the surplus, if any, arising out of the Scheme shall be transferred to Capital Reserve Account of the Transferee Company.
11. As far as observation in paragraph 6 (b) of the said Affidavit is concerned, the Counsel for the Petitioner Companies states that as mentioned in paragraph 18 of the Scheme, the dissolution of the 3rd Transferor Company and 5th Transferor Company shall be in accordance with the law of Mauritius and Spain respectively.
12. As far as observation in paragraph 6(c) of the said Affidavit is concerned, the Counsel for the Petitioner Companies state that shareholders of the Transferor Company 3 are not foreign body corporate but are Indian companies, thus the question of compliance with FEMA/RBI regulations as applicable for allotment of shares to the shareholders of Transferor Company 3 will not arise. The Transferee Company through its Counsel undertakes to comply with FEMA/RBI regulation as applicable in regard to allotment of new shares by the Transferee Company to the shareholders of the Transferor Company 5.
13. As far as observation in paragraph 6 (d) of the said Affidavit is concerned, The Transferee Company through its counsels states that the authorized capital of such Transferor Company 3 and Transferor Company 5 shall not be merged with the authorized capital of the Transferee Company.
14. As far as observation in paragraph 6(e) of the said Affidavit is concerned, the Transferee Company through its counsel submits that the Transferee Company is bound to comply with all applicable provisions of the Income Tax Act and all tax issues arising out of the Scheme will be answered in accordance with law.

15. The Learned Counsel for the Regional Director on instructions of Mr. M. Chandanamuthu, Joint Director Legal, in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai states that they are satisfied with the submissions made by Transferee Company on behalf of 3rd Transferor Company and 5th Transferor Company and undertakings given hereinabove by the Petitioner Companies through its Advocate. The undertakings given by the Petitioner Companies hereinabove are accepted.
16. The Official Liquidator has filed his Report on 25th September, 2014 stating that the affairs of the Transferor Companies have been conducted in a proper manner and that the Transferor Companies may be ordered to be dissolved.
17. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
18. Since all requisite statutory compliance have been fulfilled, Company Scheme Petition No. 483 of 2014 filed by the Transferor Company 1, Company Scheme Petition No. 484 of 2014 filed by the Transferor Company 2, Company Scheme Petition No. 485 of 2014 filed by the Transferor Company 4 are made absolute in terms of prayer clauses (a) and (b) respectively and Company Scheme Petition No. 486 of 2014 filed by the Transferee Company is made absolute in terms of prayer clauses (a).
19. The Transferee Company to lodge a copy of this order along with a copy the Scheme, duly authenticated by the Company Registrar, High Court [O.S.], Bombay, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of the order.

HIGH COURT, BOMBAY

217706

CSP nos. 483, 484, 485 and 486 of 2014

20. The Petitioner Companies are directed to file a copy of this order along with a copy of the Scheme duly authenticated by the Company Registrar, High Court [O.S.], Bombay, with the concerned Registrar of Companies, electronically, along with e-form 21/ INC 28 in addition to physical copy as per the provisions of Companies Act, 1956/2013, whichever is applicable.
21. The Petitioner Companies in the respective Company Scheme Petitions to pay costs of Rs. 10,000/- each to the Regional Director, Western Region, Mumbai and the Petitioner Companies in Company Scheme Petition Nos. 483, 484 and 485 of 2014 to pay a sum of Rs. 10,000/- each to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from today.
22. Filing and issuance of the respective drawn up orders are dispensed with.
23. All concerned authorities to act on a copy of this order along with the Scheme, duly authenticated by the Company Registrar, High Court [O.S.], Bombay.

(S. J. Kathawalla, J.)

TRUE COPY
[Signature]
5/11/2014
Section Officer
High Court, Appellate Side
Bombay

TRUE-COPY
[Signature]
10/11/2014
Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

**INTEGRATED SCHEME OF AMALGAMATION
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956**

OF

Mahindra Hinoday Industries Limited ... **Transferor Company 1**

AND

Mahindra Ugine Steel Company Limited ... **Transferor Company 2**

AND

Mahindra Gears International Limited ... **Transferor Company 3**

AND

Mahindra Investments (India) Private Limited ... **Transferor Company 4**

AND

Participaciones Internacionales Autometal TRES, S.L. ... **Transferor Company 5**

WITH

**Mahindra CIE Automotive Limited (formerly known
as Mahindra Forgings Limited)** ... **Transferee Company**

- A. Mahindra Hinoday Industries Limited** is a public limited company incorporated under the Act with its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra (“**Transferor Company 1**”). The **Transferor Company 1** is engaged in the business of manufacture and sale of parts, including but not limited to parts used in automotive industry, using castings (ductile iron and CG Iron grades).
- B. Mahindra Ugine Steel Company Limited** is a public limited company incorporated under the Act with its registered office at 74, Ganesh Apartment, LJ Road, Mahim, Mumbai - 400016, Maharashtra (“**Transferor Company 2**”). The **Transferor Company 2** is engaged in the business of manufacture and sale of parts, including but not limited to parts used in automotive industry, using stampings (cold stamped HR/ CR steel grades). The equity shares of the **Transferor Company 2** are listed on the BSE and the NSE.
- C. Mahindra Gears International Limited** is a company incorporated under the laws of Mauritius with its registered office at IFS Court, Twenty Eight Cybercity, Ebene, Mauritius (“**Transferor Company 3**”). The principal business of the **Transferor Company 3** is to act as an investment holding company.

D. **Mahindra Investment (India) Private Limited** is a private limited company incorporated under the Act with its registered office at Mahindra Towers, near Doordarshan Kendra, Pandurang Budhkar Marg, Worli, Mumbai – 400018, Maharashtra (“**Transferor Company 4**”). The principal business of the Transferor Company 4 is to act as an investment holding company.

E. **Participaciones Internacionales Autometal Tres, S.L.** is a company incorporated under the laws of Spain with its registered office at Iparraguirre nº 34, 2º derecha, 48011 Bilbao (Spain) (“**Transferor Company 5**”). The Transferor Company 5 is a holding company which is engaged in the business of holding companies within the automotive sector.

(Transferor Company 1, Transferor Company 2, Transferor Company 3, Transferor Company 4 and Transferor Company 5 together are hereinafter referred to as the “**Transferor Companies**”).

F. **Mahindra CIE Automotive Limited** (formerly known as Mahindra Forgings Limited) is a public limited company incorporated under the Act with its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra, India (“**Transferee Company**”). The Transferee Company is engaged in the business of manufacture and sale of parts, including but not limited to parts used in the automotive industry, using forgings (hot forged ferrous grades excluding stainless steel). The equity shares of the Transferee Company are listed on the BSE and the NSE.

G. **The Transferor Companies and the Transferee Company** are engaged in complementary businesses. CIE, being in control of Transferor Company 5, believes that following the acquisition of a controlling stake in the Transferor Company 1 and the Transferee Company, combining the businesses of the Transferor Companies and the Transferee Company will result in enhancing shareholder value for the shareholders of each of the Transferor Companies and the Transferee Company.

H. Accordingly, this Scheme provides for the amalgamation of the Transferor Companies with the Transferee Company and the consequent issue of equity shares of the Transferee Company to the shareholders of the Transferor Companies pursuant to Sections 391 to 394 and other relevant provisions of the Act, and various other matters consequential to or otherwise connected with the above in the manner provided for in this Scheme.

I. The amalgamation of the Transferor Companies with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.

J. This Scheme is divided into the following parts:

- (a) **Part I**, which deals with the introduction and definitions, and sets out the share capital of each of the Transferor Companies and the Transferee Company;

- (b) Part II, which deals with the amalgamation of the Transferor Companies with the Transferee Company; and
- (c) Part III, which deals with the dissolution of the Transferor Companies and the general terms and conditions applicable to this Scheme.

PART I - GENERAL

1. Definitions And Interpretation

- (a) In this Scheme, unless the context or meaning otherwise requires (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

“Act” means the Companies Act, 1956;

“Affiliate” means in relation to any Person, any Person that directly or indirectly through 1 (one) or more Person(s), Controls, is Controlled by, or is under common Control with, the Person;

“Applicable Law” or “Law” means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval from the concerned authority, directive, guideline, press note, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Government Authority in effect in the Republic of India, Mauritius or Spain;

“Appointed Date” means October 1, 2013;

“Board of Directors” or “Board” in relation to each of the Transferor Companies and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the amalgamation, this Scheme and/or any other matter relating thereto;

“BSE” means The BSE Limited;

“CIE” means CIE Automotiva S.A., a company (“*Sociedad Anónima*”) incorporated under the laws of Spain, having its registered office at Iparraguirre nº 34, 2º derecha, 48011 Bilbao (Spain) and listed on the Madrid and Bilbao stock exchanges;

“CIE Group” means CIE and Persons that CIE Controls;

“Commencement Date” shall mean June 15, 2013;

“Control” means (i) in relation to a body corporate, the right to exercise, or control the exercise, whether directly or indirectly, acting alone or together with another Person, of more than 50% (fifty percent) of the total voting rights at a general meeting of that body corporate, or the right or power to direct, whether directly or

indirectly, acting alone or together with another Person, the policy decisions of that body corporate, including the composition of any board of directors (or equivalent body) of that body corporate, or (ii) in relation to any Person which is not a body corporate, the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the policy decisions of that Person;

“**EUR**” means an unit of currency that is used by the member countries of the European Union which have joined the European monetary union;

“**Effective Date**” means the last of the dates on which all the conditions and matters referred to in Clause 18 occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of ‘coming into effect of this Scheme’ or ‘effectiveness of this Scheme’ or ‘Scheme coming into effect’ shall mean the Effective Date;

“**Eligible Employees**” means the Employees and the employees of any holding or subsidiary company of the Transferor Company 2 who are entitled to employee stock options under the Transferor Company 2 Stock Option Scheme, and to whom, as on the Record Date, options of the Transferor Company 2 have been granted, irrespective of whether the same are vested or not;

“**Employees**” mean all the permanent employees of each of the Transferor Companies, as the case may be, as on the Effective Date;

“**Encumbrance**” means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same and the term “**Encumbered**” shall be construed accordingly;

“**Existing Stock Option Scheme**” means the Employees’ Stock Option Scheme, 2007 of the Transferee Company;

“**Funds**” shall have the meaning assigned to it in Clause 8(c);

“**Gears India OpCo**” means Mahindra Gears and Transmission Private Limited, a company incorporated under the Act, having its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai 400018, Maharashtra, India;

“**Gears India OpCo SPA**” means the share purchase agreement entered into on or about even date between M&M, the Transferor Company 4, Gears India OpCo and the Transferee Company, for



the purchase by the Transferor Company 4 of all of the shares of Gears India OpCo held by M&M;

“Governmental Authority” means (i) a national government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above, however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India, Mauritius or Spain;

“High Court” means the High Court of Judicature at Mumbai and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under Sections 391 to 394 of the Act;

“INR” or “Rupees” means the lawful currency of Republic of India;

“Implementation Period” means the period intervening the Commencement Date and the Effective Date;

“Integration Committee” shall have the meaning assigned to it in Clause 14;

“Liabilities” shall have the meaning assigned to it in Clause 6(a);

“Mahindra Composites Limited” means a company incorporated under the Act, having its registered office at 145, Mumbai-Pune Road, Pimpri, Pune 411018, Maharashtra, India and listed on the BSE;

“Mahindra Systech Companies” mean the Transferor Companies (other than the Transferor Company 5) and Mahindra Composites Limited;

“M&M” means Mahindra & Mahindra Limited, a public limited company incorporated under the Act, having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400001, Maharashtra, India and listed on the Stock Exchanges;

“M&M Group” means M&M and Persons that M&M Controls;

“MOICML” means Mahindra Overseas Investment Company (Mauritius) Limited, a company incorporated under the laws of Mauritius, having its registered office at IFS Court, Twenty Eight Cybercity, Ebene, Mauritius;

“MUSCO Investments” means all the shares held by the Transferor Company 2 in (a) Mahindra Sanyo Special Steel Private Limited (b) Mahindra Hotels & Resorts Limited; (c) Indian & Eastern Engineer Company Limited; (d) Mahindra & Mahindra Contech Limited; (e) Mahindra Construction Limited; (f) Orissa Sponge Iron Limited; (g) Dena Bank Limited; and (h) Kotak Mahindra Bank Limited;

"MUSCO Real Estate" means the colony land admeasuring approx 76 (seventy six) acres owned by the Transferor Company 2 and situated at Khopoli, Maharashtra;

"Net Financial Debt" means all financial debt less cash, cash equivalents and liquid assets on a consolidated basis;

"NSE" means the National Stock Exchange of India Limited;

"Person" means any individual (including in his capacity as trustee), entity, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship or other enterprise (whether incorporated or not), Hindu undivided family, union, association of persons, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

"Record Date" means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of determining the equity shareholders of each of the Transferor Companies, to whom shares of the Transferee Company will be allotted pursuant to this Scheme;

"Registrar of Companies" means the Registrar of Companies, Maharashtra, Mumbai;

"Scheme" means this integrated scheme of amalgamation, as amended or modified in accordance with the provisions hereof;

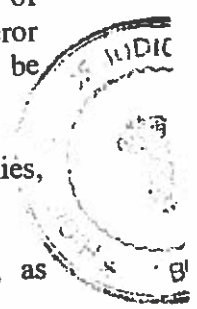
"SEBI" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

"SEBI Circulars" mean Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, each issued by the SEBI;

"Stock Exchanges" mean each of the BSE and the NSE;

"Transferor Company 1 Undertaking" means all the undertakings and entire business of the Transferor Company 1 as a going concern, including, without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 1, whether situated in India or abroad, including, without limitation, all manufacturing units and facilities, all land, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment,



computers, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company 1, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, guest houses, godowns, warehouses, vehicles, D.G. sets, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate 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 the Transferor Company 1 or in connection with or relating to the Transferor Company 1 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company 1, whether in India or abroad;

- (ii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 1;
- (iii) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind,

nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company 1; and

- (iv) all trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company 1.

“Transferor Company 2 Undertaking” means all the undertakings and entire business of the Transferor Company 2 as a going concern, including, without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 2, whether situated in India or abroad, including, without limitation, all manufacturing units and facilities, all lands, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company 2, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, guest houses, godowns, warehouses, vehicles, D.G. sets, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages



of whatsoever nature and wheresoever situate 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 the Transferor Company 2 or in connection with or relating to the Transferor Company 2 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company 2, whether in India or abroad;

- (ii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 2;
- (iii) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company 2; and
- (iv) all trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company 2.

“Transferor Company 3 Undertaking” means all the undertakings and entire business of the Transferor Company 3 as a going concern, including, without limitation:

(i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 3, whether situated in Mauritius or abroad, including, without limitation, all manufacturing units and facilities, all land, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company 3, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, guest houses, godowns, warehouses, vehicles, D.G. sets, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate 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 the Transferor Company 3 or in connection with or relating to the Transferor Company 3 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company 3, whether in Mauritius or abroad;

(ii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities



related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 3;

- (iii) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company 3; and
- (iv) all trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company 3.

“Transferor Company 4 Undertaking” means all the undertakings and entire business of the Transferor Company 4 as a going concern, including, without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 4, whether situated in India or abroad, including, without limitation, all manufacturing units and facilities, all land, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company 4, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements

or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, guest houses, godowns, warehouses, vehicles, D.G. sets, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate 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 the Transferor Company 4 or in connection with or relating to the Transferor Company 4 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company 4, whether in India or abroad;

- (ii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 4;
- (iii) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company 4; and
- (iv) all trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other



customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company 4.

“Transferor Company 5 Undertaking” means all the undertakings and entire business of the Transferor Company 5 as a going concern, including, without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company 5, whether situated in Spain or abroad, including, without limitation, all manufacturing units and facilities, all land, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company 5, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, guest houses, godowns, warehouses, vehicles, D.G. sets, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate 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 the Transferor Company 5 or in connection with or relating to the Transferor Company 5 and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company 5, whether in Spain or abroad;
- (ii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential

and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company 5;

- (iii) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company 5; and
- (iv) all trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company 5.



“Transferee Company Representatives” shall be any of the following sets of people:

- (a) Mr. Jesus Maria Herrera Brandiaran, Mr. Pedro Echegaray, Mr. Ignacio Artazcoz Barrena, Mr. Roberto Alonso Ruiz or Mr. Jose Ramon Berecibar; and
- (b) Mr. K. Ramaswami or Mr. Sanjay Joglekar;

“Transferor Company 2 Stock Option Scheme” shall have the meaning assigned to it in Clause 8(e);

“Transferee Company Stock Option Scheme” shall have the meaning assigned to it in Clause 8(e); and

“Undertakings” means the Transferor Company 1 Undertaking, the Transferor Company 2 Undertaking, the Transferor Company 3

Undertaking, the Transferor Company 4 Undertaking and the Transferor Company 5 Undertaking collectively.

- (b) All terms used but not defined in this Scheme shall, unless contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act or any statutory modification or re-enactment thereof for the time being in force or any legislation which replaces the Act.
- (c) References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- (d) The headings herein shall not affect the construction of this Scheme.
- (e) Unless the context otherwise requires:
 - (i) the singular shall include the plural and *vice versa*, and references to one gender include all genders.
 - (ii) references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
 - (iii) reference to any law or to any provision thereof or to any rule or regulation promulgated thereunder includes a reference to such law, provision, rule or regulation as it may, from time to time, be amended, supplemented or re-enacted, or to any law, provision, rule or regulation that replaces it.
 - (iv) Without prejudice to generality of (iii) above, references to the Companies Act, 1956 and specific provisions thereof will be deemed to mean or include references to Companies Act, 2013 and corresponding provisions thereof, as and when provisions of the Companies Act, 2013 are made effective.

2. Share Capital

(a) Transferor Company 1

The share capital structure of the Transferor Company 1 as on June 15, 2013 is as under:

A. Authorised Share Capital	
57,000,000 equity shares of INR 10 per equity share	570,000,000
15,000,000 cumulative redeemable preference shares of INR 10 per share	150,000,000
Total	720,000,000

B. Issued and Subscribed Share Capital	Amount in INR
46,576,717 equity shares of INR 10 per equity share	465,767,170
Total	465,767,170

C. Paid-up Share Capital	Amount in INR
46,576,717 equity shares of INR 10 per equity share fully paid up	465,767,170
Total	465,767,170

The equity shares of the Transferor Company 1 are not listed on any stock exchange.

(b) Transferor Company 2

The share capital structure of the Transferor Company 2 as on June 15, 2013 is as under:

A. Authorised Share Capital	Amount in INR
119,000,000 equity shares of INR 10 per equity share	1,190,000,000
3,100,000 cumulative redeemable preference shares of INR 100 per share	310,000,000
Total	1,500,000,000

B. Issued and Subscribed Share Capital	Amount in INR
32,482,529 equity shares of INR 10 per equity share	324,825,290
Total	324,825,290

C. Paid-up Share Capital	Amount in INR
32,482,529 equity shares of INR 10 per equity share fully paid up	324,825,290
Total	324,825,290

The equity shares of the Transferor Company 2 are listed on the Stock Exchanges.

(c) Transferor Company 3

The share capital structure of the Transferor Company 3 as on June 15, 2013 is as under:

A. Issued and Subscribed Share Capital	Amount in EUR
23,000,001 equity shares of EUR 1 per equity share	23,000,001
Total	23,000,001

B. Paid-up Share Capital	Amount in EUR
23,000,001 equity shares of EUR 1 per equity share fully paid up	23,000,001
Total	23,000,001

The equity shares of the Transferor Company 3 are not listed on any stock exchange.

(d) Transferor Company 4

The share capital structure of the Transferor Company 4 as on June 15, 2013 is as under:

A. Authorised Share Capital	Amount in INR
82,000,000 equity shares of INR 10 per equity share	820,000,000
Total	820,000,000

B. Issued and Subscribed Share Capital	Amount in INR
80,056,580 equity shares of INR 10 per equity share	800,565,800
Total	800,565,800

C. Paid-up Share Capital	Amount in INR
80,056,580 equity shares of INR 10 per equity share fully paid up	800,565,800
Total	800,565,800

The equity shares of the Transferor Company 4 are not listed on any stock exchange.

(e) Transferor Company 5

The share capital structure of the Transferor Company 5 as on June 15, 2013 is as under:

A. Authorised Share Capital	Amount in EUR
60,003,000 equity shares of EUR 1 per equity share	60,003,000
Total	60,003,000

B. Issued and Subscribed Share Capital	Amount in EUR
60,003,000 equity shares of EUR 1 per equity share	60,003,000
Total	60,003,000

C. Paid-up Share Capital	Amount in EUR
60,003,000 equity shares of EUR 1 per equity share fully paid up	60,003,000
Total	60,003,000

The equity shares of the Transferor Company 5 are not listed on any stock exchange.

(f) Transferee Company

The share capital structure of Transferee Company as on June 15, 2013 is as under:

A. Authorised Share Capital	Amount in INR
122,000,000 equity shares of INR 10 per share	1,220,000,000
14,820,206 non cumulative non convertible redeemable preference shares of INR 31 each	459,426,386
Total	1,679,426,386

B. Issued and Subscribed Share Capital	Amount in INR
92,173,306 equity shares of INR 10 per equity share	921,733,060
Total	921,733,060

C. Paid-up Share Capital	Amount in INR
92,173,306 equity shares of INR 10 per equity share fully paid up	921,733,060
Total	921,733,060

The equity shares of the Transferee Company are listed on the Stock Exchanges.

PART II – AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY

Section 1 – Transfer

3. Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, the Undertakings shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
4. Vesting of Assets
 - (a) Without prejudice to the generality of Clause 3 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertakings of whatsoever nature and where so ever situate shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.
 - (b) Without prejudice to the provisions of Clause 4(a) above, in respect of such of the assets and properties of the Transferor Companies as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so

transferred or vested by each of the Transferor Companies upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.

- (c) In respect of such of the assets and properties belonging to the Transferor Companies (other than those referred to in Clause 4(b) above) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.
- (d) All assets, rights, title, interest, investments and properties of the Transferor Companies as on the Appointed Date, whether or not included in the books of each of the Transferor Companies, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, 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 Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.
- (e) All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Companies and all rights and benefits that have accrued or which may accrue to the Transferor Companies, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other



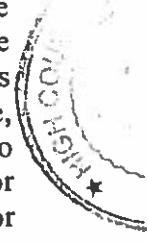
benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

5. Contracts, Deeds etc.


- (a) Upon the 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, to which any of the Transferor Companies is a party or to the benefit of which each of the Transferor Companies 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 Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company concerned, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- (b) Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the Undertakings occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which any of the Transferor Companies is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of each of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of each of the Transferor Companies to be carried out or performed.
- (c) Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

6. Transfer of Liabilities

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of each of the Transferor Companies including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of each of the Transferor Companies of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any



charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of this Scheme by the High Court and under the provisions of Sections 391 to 394 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause 6.

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- (b) Where any such debts, liabilities, duties and obligations of each of the Transferor Companies as on the Appointed Date have been discharged by such Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
 - (c) All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by each of the Transferor Companies on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 391 to 394 of the Act, 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 Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
 - (d) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between each of the Transferor Companies and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

7. Encumbrances

- (a) The transfer and vesting of the assets comprised in the Undertakings to the Transferee Company under Clause 4 and Clause 5 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

- (b) All Encumbrances, if any, existing prior to the Effective Date over the assets of each of the Transferor Companies shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Companies have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (c) The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Companies transferred to and vested in the Transferee Company by virtue of this Scheme.
- (d) Any reference in any security documents or arrangements (to which any of the Transferor Companies is a party) to any of the Transferor Companies and their respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Companies transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, 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, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- (f) It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.
- (g) The provisions of this Clause 7 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 or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

8. Employees

- (a) Upon the coming into effect of this Scheme, all Employees of each of the Transferor Companies shall, become the employees of the



Transferee Company, on terms and conditions not less favourable than those on which they are engaged by the Transferor Companies and without any interruption of or break in service as a result of the amalgamation of the Transferor Companies with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the respective Transferor Company and such benefits to which the Employees are entitled in the respective Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.

- (b) It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits (including employee stock options) that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by any of the Transferor Companies with any union/employee of the respective Transferor Company.
- (c) Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by any of the Transferor Companies for its Employees or to which any of the Transferor Companies is contributing for the benefit of its Employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the Employees shall be merged with the funds created by the Transferee Company.
- (d) In relation to those Employees for whom any of the Transferor Companies is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the relevant Transferor Company, for all

purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Companies as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

- (e) (i) In respect of the stock options of the Transferor Company 2 granted by the Transferor Company 2 under the Employees Stock Option Scheme, 2006 (ESOS-2006) ("**Transferor Company 2 Stock Option Scheme**"), upon the effectiveness of the Scheme, the Transferee Company shall issue stock options to the Eligible Employees taking into account the share exchange ratio set out in Clause 16(b), on terms and conditions not less favourable than those provided under the Transferor Company 2 Stock Option Scheme. Such stock options may be issued by the Transferee Company either under the Existing Stock Option Scheme or under a separate employee stock option scheme created by the Transferee Company *inter alia* for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme ("**Transferee Stock Option Scheme**").
- (ii) It is hereby clarified that the options granted by the Transferee Company to the Eligible Employees pursuant to this Clause 8 (e), in lieu of options granted to them under the Transferor Company 2 Stock Option Scheme would be granted on the basis of the share exchange ratio set out in Clause 16(b), i.e., for every 100 (one hundred) options held by an Eligible Employee which entitle such Eligible Employee to acquire 100 (one hundred) equity shares in the Transferor Company 2, such Eligible Employee will be conferred 284 (two hundred and eight four) options in the Transferee Company which shall entitle him to acquire 284 (two hundred and eight four) equity shares in the Transferee Company. Fractional entitlements, if any, arising pursuant to the applicability of the share exchange ratio as above shall be rounded off to the nearest higher integer.
- (iii) The total exercise price payable for options granted by the Transferee Company to the Eligible Employees shall be equivalent to the total exercise price payable by such Eligible Employees under the Transferor Company 2 Stock Option Scheme, for such options.
- (iv) The grant of options to the Eligible Employees pursuant to this Clause 8 (e) of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Scheme and the Existing Stock Option Scheme, including without limitation, for the purposes of creating the Transferee Stock



Option Scheme and/or modifying the Transferee Stock Option Scheme and/or the Existing Stock Option Scheme (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Existing Stock Option Scheme, and/or modifying the exercise price of the stock options under the Transferee Stock Option Scheme and/or the Existing Stock Option Scheme), and all related matters. No further approval of the shareholders of the Transferee Company would be required in this connection under Section 81(1A) of the Act and/or any other Applicable Law.

- (v) It is hereby clarified that in relation to the options granted by the Transferee Company to the Eligible Employees pursuant to this Scheme, in lieu of options granted to them under the Transferor Company 2 Stock Option Scheme, the period during which the options granted by the Transferor Company 2 were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law for stock options granted under the Transferee Stock Option Scheme or the Existing Stock Option Scheme, as the case may be. Subject to Applicable Law, the adjustments to the exercise price per option and option entitlement of the Eligible Employees proposed under this Clause 8 (e) shall be appropriately reflected in the accounts of the Transferee Company.
- (vi) The Boards of Directors of the Transferor Company 2 and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 8(e).

9. Legal, Taxation and other Proceedings

Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against each of the Transferor Companies pending on the Effective Date shall be continued and/ or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.

10. Without prejudice to the provisions of Clauses 3 to 9, with effect from the Appointed Date, all inter-party transactions between each of the Transferor Companies and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

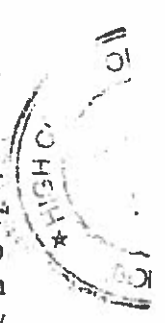
Section 2 – Conduct of Business

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

- (a) each of the Transferor Companies shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;
 - (b) all profits and income accruing or arising to the Transferor Companies, and losses and expenditure arising or incurred by them (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Transferee Company;
 - (c) any of the rights, powers, authorities or privileges exercised by the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
 - (d) all taxes (including, without limitation, income tax, sales tax, service tax, VAT, etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the respective Transferor Companies before the Appointed Date, shall be on account of the Transferor Companies and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the Transferor Companies with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
12. (a) Without prejudice to Clause 11, save as agreed by the Boards of the Transferor Companies and the Transferee Company, during the Implementation Period, none of the Boards of (A) the Transferor Company 1 (till such time as the Transferor Company 1 becomes an Affiliate of Transferor Company 5), (B) the Transferor Company 2, (C) the Transferor Company 3, and (D) the Transferor Company 4, shall take any of the following actions without the prior written consent of each of the Transferee Company Representatives:
- (i) make any amendment to its constitutional documents;
 - (ii) make any change to its share capital whether by way of further issuance of securities, buy-back, reduction of capital, transfer of shares (subject to provisions under Applicable Law in relation to free transferability of shares), or in any other manner subject to the issuance of shares under any existing employees stock option schemes;

- (iii) incur capital expenditure in excess of INR 35,000,000 (Rupees thirty five million only) in a single transaction and INR 70,000,000 (Rupees seventy million only) in the aggregate, except as approved by the Board of the company whilst authorizing such capital expenditure;
- (iv) make any divestments, sale, acquisition of business (whether by way of the purchase of shares, assets or properties), or the creation of any subsidiary, joint venture or partnership where an aggregate value involved/consideration being in excess of INR 700,000,000 (Rupees seven hundred million only) in a financial year;
- (v) incur any borrowings, loans or guarantees or undertake any other indebtedness or providing any security or guarantee in excess of INR 70,000,000 (Rupees seventy million only) other than to finance current facilities and other than those agreed between the concerned Transferor Company and the Transferee Company in writing;
- (vi) undertake any merger, reorganization, spin-off, consolidation or any other similar form of corporate or debt restructuring;
- (vii) waive (A) any rights that it may have against any debtors or third parties; or (B) any obligations or debts or duties owed by any debtors or third parties to it (including, any accounts receivable), where such rights or obligations involve amounts in excess of INR 7,000,000 (Rupees seven million only);
- (viii) enter into any agreement, transaction or arrangement that has the effect of terminating, cancelling, releasing, assigning or novating any contract where the sum involved is in excess of INR 21,000,000 (Rupees twenty one million only) except for sale agreements and agreements for the purchase of raw material, where the threshold shall be INR 70,000,000 (Rupees seventy million only) or except in the ordinary course of business consistent with past practices;
- (ix) settle any litigation or disputes or claims where the amount involved is in excess of INR 21,000,000 (Rupees twenty one million only);
- (x) change the accounting or tax policies or practices used for preparation of the accounts other than as required pursuant to any change or amendment under the accounting standards or Applicable Law;
- (xi) enter into any agreement or transaction which has the effect of assigning or transferring the intellectual property rights owned by it;

- (xii) enter into, amend or terminate any related party transaction which are not carried out at arm's length and not in the ordinary course of business; and
 - (xiii) enter into any commitment or agreement or undertake any action to do any of the foregoing or which has the effect of resulting in any of the foregoing.
- (b) Without prejudice to Clause 11, save as agreed by the Boards of the Transferor Companies and the Transferee Company, during the Implementation Period, the respective Boards of the Transferor Company 1 (once it becomes an Affiliate of Transferor Company 5) and Transferor Company 5 shall not take any of the following actions without the prior written consent of each of the Transferee Company Representatives:
- (i) any commencement of any business line different from the business currently carried out by such company;
 - (ii) any action for dissolution and/or winding-up and/or insolvency of such company;
 - (iii) merger or demerger, spin-off, consolidation or any other similar form of corporate restructuring of such company;
 - (iv) any divestments, or sale/acquisition of business (whether by way of the purchase of shares, assets or properties), or the creation of any subsidiary, joint venture or partnership where the aggregate value involved/ consideration is in excess of EUR 50,000,000 (Euro fifty million only) in any given financial year (provided that this threshold shall be € 10,000,000 (Euro ten million only) with respect to Transferor Company 1, except if the proceeds of such divestment or sale are reinvested within 6 (six) months in equivalent assets necessary for the ordinary course of business;
 - (v) amendments to the constitutional documents of such company;
 - (vi) any change to the share capital of such company whether by way of (i) further issuance of securities (including convertible instruments or options) other than on rights basis, (ii) buy-back or (iii) reduction of capital or (iv) variation of the rights of any classes of its shares or (v) otherwise;
 - (vii) appointment of a statutory auditor different from one of the Big Four Chartered Accountants;
 - (viii) changing the strength of the board of directors by any corporate action;
 - (ix) enter into, amend or terminate any related party transaction which are not carried out at arm's length and in the ordinary course of business;



- (x) agree to pay corporate charges to the CIE Group for shared services which are in excess of 1% (one percent) of the combined turnover of Transferor Company 5 and its subsidiaries in a financial year computed on a stand alone basis. It is clarified that the actual cost of shared services provided by the M&M Group or the CIE Group (other than to the aforementioned companies) shall not be taken into account whilst determining this cap; and
- (xi) which results in the aggregate Net Financial Debt of the Transferor Company 5 and its subsidiaries exceeding € 60,000,000 (Euro sixty million only), provided that these companies (taken together) shall be entitled to borrow upto € 10,000,000 (Euro ten million only) in a financial year for capital expenditure which is in the ordinary course of business and is consistent with past practices.
- (c) During the Implementation Period, the Transferee Company shall not make any change to its share capital whether by way of further issuance of securities, buy-back, reduction of capital or in any other manner subject to the issuance of shares under any existing employee stock option schemes.
13. Within a period of 7 (seven) days following the receipt of approval from the Competition Commission of India for the merger of the Transferor Companies with the Transferee Company in terms hereof, each of the Transferor Companies shall convene a meeting of its Board at which the Transferee Company Representatives shall be appointed as non-voting observers to the Board till the Effective Date. To the extent permissible under Applicable Law, the observers shall be entitled to attend all meetings of the Board and shareholder meetings of each of the Transferor Companies and each Transferor Company shall ensure that notice is given to the observers, of all such meetings at least 14 (fourteen) days prior to the meeting or a shorter period if agreed by all members of the Board, including the observers, simultaneous to giving notice of the same to its directors.
14. Within a period of 7 (seven) days following the receipt of approval from the Competition Commission of India for the merger of the Transferor Companies with the Transferee Company in terms hereof, each of the Transferor Companies shall put in place an integration committee (hereinafter referred to as "**Integration Committee**") comprising of 4 (four) persons of whom 2 (two) persons shall be the Transferee Company Representatives and 2 (two) persons shall be nominees of the respective Transferor Company. The Integration Committee shall (i) review the alignment of strategy and ensure harmonization of businesses conducted by each of the Transferor Companies and the Transferee Company; and (ii) from time to time, make non-binding recommendations to the Board of each of the Transferor Companies and the Transferee Company which shall be considered by their respective board of directors in good faith; provided however that, notwithstanding the above, any review by the Integration Committee shall not include any price or revenue setting function, including back office operations.

Section 3: Issue of shares of the Transferee Company

15. The provisions of this Section 3 of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.
16. Issue of new equity shares
- (a) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Transferor Company 1 Undertaking in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Transferor Company 1, whose name is registered in the Register of Members of the Transferor Company 1 on the Record Date or his/her/its legal heirs, executors or successors as the case may be, equity shares in the Transferee Company, in the ratio of 110 (one hundred and ten) equity shares of the face value of INR 10 (ten) each (credited as fully paid up) of the Transferee Company for every 100 (one hundred) equity shares of the face value of INR 10 (ten) each (credited as fully paid-up) held by such member in the Transferor Company 1. No fractional shares shall be issued by the Transferee Company.
- (b) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Transferor Company 2 Undertaking in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Transferor Company 2, whose name is registered in the Register of Members of the Transferor Company 2 on the Record Date or his/her/its legal heirs, executors or successors as the case may be, equity shares in the Transferee Company, in the ratio of 284 (two hundred and eighty four) equity shares of the face value of INR 10 (ten) each (credited as fully paid up) of the Transferee Company for every 100 (one hundred) equity shares of the face value of INR 10 (ten) each (credited as fully paid-up) held by such member in the Transferor Company 2. No fractional shares shall be issued by the Transferee Company.
- (c) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Transferor Company 3 Undertaking in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Transferor Company 3, whose name is registered in the Register of Members of the Transferor Company 3 on the Record Date or his/her/its legal heirs, executors or successors as the case may be, equity shares in the Transferee Company, in the ratio of 20 (twenty) equity shares of the face value of INR 10 (ten) each (credited as fully paid up) of the Transferee Company for every 100 (hundred) equity shares of the face value of EUR 1 (one) each (credited as fully paid-up) held by such member in the Transferor Company 3. No fractional shares shall be issued by the Transferee Company.



- (d) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Transferor Company 4 Undertaking in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Transferor Company 4, whose name is registered in the Register of Members of the Transferor Company 4 on the Record Date or his/her/its legal heirs, executors or successors as the case may be, equity shares in the Transferee Company, in the ratio of 17 (seventeen) equity shares of the face value of INR 10 (ten) each (credited as fully paid up) of the Transferee Company for every 100 (one hundred) equity shares of the face value of INR 10 (ten) each (credited as fully paid-up) held by such member in the Transferor Company 4. No fractional shares shall be issued by the Transferee Company.
- (e) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Transferor Company 5 Undertaking in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Transferor Company 5, whose name is registered in the Register of Members of the Transferor Company 5 on the Record Date or his/her/its legal heirs, executors or successors as the case may be, equity shares in the Transferee Company, in the ratio of 105 (one hundred and five) equity shares of the face value of INR 10 (ten) each (credited as fully paid up) of the Transferee Company for every 100 (one hundred) equity shares of the face value of EUR 1 (one) each (credited as fully paid-up) held by such member in the Transferor Company 5. No fractional shares shall be issued by the Transferee Company.
- (f) Upon this Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with Clause 16(a) to 16(e) above. It is clarified that no special resolution under Section 81(1A) of the Act shall be required to be passed by the Transferee Company separately in a general meeting for issue of shares to the members of the Transferor Companies under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of equity shares of the Transferee Company to the members of the Transferor Companies in accordance with Clause Clause 16(a) to 16(e) above.
- (g) As a part of this Scheme, and, upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the Transferor Companies.
- (h) The capital clause of the Memorandum of Association and the Articles of Association of the Transferee Company shall, as a part

of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

MEMORANDUM OF ASSOCIATION

“V. The Authorised Share Capital of the Company is INR 4,719,426,386 (Rupees four billion seven hundred nineteen million four hundred twenty six thousand three hundred eighty six only) divided into 380,000,000 (three hundred eighty million) Equity Shares of INR 10 (Rupees ten only) each aggregating INR 3,800,000,000 (Rupees three billion eight hundred million only) and 29,658,916 (twenty nine million six hundred fifty eight thousand nine hundred sixteen) 4% (four percent) Non Cumulative Redeemable Non Convertible Preference Shares of INR 31 (Rupees thirty one only) each aggregating INR 919,426,386 (Rupees nine hundred nineteen million four hundred twenty six thousand three hundred eighty six only), with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force.”

ARTICLES OF ASSOCIATION

“3. The Authorised Share Capital of the Company is INR 4,719,426,386 (Rupees four billion seven hundred nineteen million four hundred twenty six thousand three hundred eighty six only) divided into 380,000,000 (three hundred eighty million) Equity Shares of INR 10 (Rupees ten only) each aggregating INR 3,800,000,000 (Rupees three billion eight hundred million only) and 29,658,916 (twenty nine million six hundred fifty eight thousand nine hundred sixteen) 4% (four percent) Non Cumulative Redeemable Non Convertible Preference Shares of INR 31 (Rupees thirty one only) each aggregating INR 919,426,386 (Rupees nine hundred nineteen million four hundred twenty six thousand three hundred eighty six only) with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force.”

- (i) It is clarified that for the purposes of Clause 16(g) and 16(h) above, the consent of the shareholders of the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the above amendment or increase in the authorised share capital of the



Transferee Company, and no further resolution under Section 16, Section 31, Section 94 or any other applicable provisions of the Act, would be required to be separately passed. The stamp duties and fees (including registration fee) paid on the authorised share capital of the Transferor Companies shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in the authorised share capital to that extent.

- (j) The shares issued to the members of the Transferor Companies by the Transferee Company pursuant to Clauses 16(a) to 16(e) above shall be credited to the depository account of the members, unless otherwise notified in writing by any member of any of the Transferor Companies to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of any Transferor Company, the shares shall be credited to the depository account of the members provided that the members of the Transferor Companies 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. It is only thereupon that the Transferee Company shall issue and directly credit to the account of such member the relevant shares of the Transferee Company. In the event that the Transferee Company has received notice from any member that shares are to be issued in certificate 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, then the Transferee Company shall issue shares in certificate form to such member.
- (k) In the event of there being any pending share transfers, whether lodged or outstanding, of any member of any of the Transferor Companies, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor/transferee of the shares in the Transferor Companies and in relation to the shares issued by the Transferee Company after the effectiveness of this Scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company.
- (l) Equity shares to be issued by the Transferee Company pursuant to Clauses 16(a) to 16(e) above in respect of such of the equity shares of the Transferor Companies which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Transferee Company.

- (m) The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank *pari passu* in all respects with the then existing equity shares of the Transferee Company.
- (n) The equity shares of the Transferee Company issued in terms of this Scheme will be listed and/or admitted to trading on the Stock Exchanges. The shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the Stock Exchanges.
- (o) In case any shareholder's holding in any Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

PART III – DISSOLUTION OF TRANSFEROR COMPANIES AND OTHER GENERAL TERMS AND CONDITIONS


17. Accounting and Tax Treatment

(a) Accounting

Save as hereinafter provided, the reserves of the Transferor Companies shall be accounted for, while incorporating the assets and liabilities of the Transferor Companies in the accounts of the Transferee Company, in accordance with Accounting Standard 14 (Accounting for Amalgamations) issued by the Institute of Chartered Accountants of India in consultation with the National Advisory Committee on Accounting Standards as per Section 211(3C) of the Act. Upon the Scheme becoming effective and with effect from the Appointed Date:

- (i) The Transferee Company shall record the assets and liabilities of the Transferor Companies pursuant to this Scheme at their respective book values as appearing in the books of the Transferor Companies. In case of conflicting accounting policies between the entities, a uniform policy will be adopted on merger and effect on the financial statements of such change in policy will be reported as per Accounting Standard 5 (Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies) and the same shall be dealt with in accordance with prevailing accounting standards and Generally Accepted Accounting Principles in India;
- (ii) The Transferee Company shall credit its issued and paid up share capital account with the aggregate face value of the shares issued pursuant to Clause 16 of this Scheme;



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- (iii) All the reserves relating to and reflecting in the books of the Transferor Companies shall appear in the books of the Transferee Company in the same form in which they appeared in the books of the Transferor Companies after giving effect to 17(a)(i) above;
- (iv) The balance in the Statement of Profit and loss appearing in the books of the Transferor Companies shall be dealt with in the books of the Transferee Company in accordance with Accounting Standard 14 (Accounting for Amalgamations);
- (v) The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the Transferor Companies is adjusted in reserves in the financial statements of the Transferee Company;
- (vi) To the extent that there are inter-corporate loans, debentures, debt securities or balances between the Transferor Companies and the Transferee Company inter se, or the Transferor Companies inter se, the obligation in respect thereof shall come to an end and the corresponding effect shall be given in the books of account and the records of the Transferee Company for the reduction of any assets or liabilities, as the case may be. The difference, if any, arising upon such cancellation, shall be credited or debited, as the case may be, to the General Reserve of the Transferee Company. For the removal of doubts, there would be no accrual of interest or other charges in respect of any such inter-company loans, debentures, debt securities or balances with effect from the Appointed Date;
- (vii) Notwithstanding the above, the Board of the Transferee Company is authorized to account any of these balances in any manner whatsoever, as may be deemed fit in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India in consultation with the National Advisory Committee on Accounting Standards as per Section 211(3C) of the Act and Generally Accepted Accounting Principles in India.
- (b) Tax
- (i) Upon the Scheme coming into effect, all taxes (direct and/or indirect)/ cess/ duties payable by or on behalf of the Transferor Companies from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with any Governmental Authority and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, and unutilized CENVAT credit, VAT credit etc shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and unutilized CENVAT credits, VAT credit and rights to claim credit or refund etc of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company shall be


permitted to revise, if it becomes necessary, its income tax returns, wealth tax returns, sales tax returns, excise and CENVAT returns, service tax returns, other statutory returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme.

- (ii) The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between or amongst the Transferor Companies inter se and the Transferor Companies and the Transferee Company. Without prejudice to the generality of Clause 17(b)(i) above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between or amongst the Transferor Companies inter se and the Transferor Companies and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.
- (iii) The withholding tax/ advance tax/ minimum alternate tax, if any, paid by the Transferor Companies under the Income Tax Act, 1961 or any other statute in respect of income of the Transferor Companies assessable for the period commencing from the Appointed Date shall be deemed to be the tax deducted from/advance tax paid by the Transferee Company and credit for such withholding tax/advance tax/minimum alternate tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/advance tax are in the name of the Transferor Companies and not in the name of the Transferee Company.
- (iv) The service tax paid by the Transferor Companies under the Finance Act, 1994 in respect of services provided by the Transferor Companies for the period commencing from the Appointed Date shall be deemed to be the service tax paid by the Transferee Company and credit for such service tax shall be allowed to the Transferee Company notwithstanding that challans for service tax payments are in the name of the Transferor Companies and not in the name of the Transferee Company.



18. Conditions Precedent

- (a) The effectiveness of the Scheme is conditional upon and subject to:
 - (i) receipt of approval from the Competition Commission of India for this Scheme in form and substance reasonably satisfactory to the Transferor Companies and the Transferee Company or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;

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- (ii) receipt of approval from the Bundeskartellamt for this Scheme in form and substance reasonably satisfactory to the Transferor Companies and the Transferee Company or the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;
 - (iii) receipt of approval of Foreign Investment Promotion Board/ Reserve Bank of India for the issue of shares by the Transferee Company to the non-resident shareholders of the Transferor Company 5 in consideration of the merger of the Transferor Company 5 into the Transferee Company;
 - (iv) receipt of approval of the Reserve Bank of India for the divestment of shares of the Transferor Company 3 by the resident shareholder(s) of Transferor Company 3 pursuant to the merger;
 - (v) this Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors (where applicable) of each of the Transferor Companies and the Transferee Company as required under the Act and the requisite orders of the High Court being obtained;
 - (vi) transfer of the MUSCO Real Estate and the MUSCO Investments by M&M or its subsidiary (not being a Mahindra Systech Company or a subsidiary of such company) together with all liabilities thereto;
 - (vii) approval of the Scheme by the public shareholders of the Transferor Company 2 and the Transferee Company in accordance with the provisions of the SEBI Circulars;
 - (viii) receipt of pre-filing and post sanction approvals of the relevant Stock Exchange and the SEBI in terms of the SEBI Circulars, as applicable;
 - (ix) receipt of such lender approvals, as may be required, for the release of all corporate guarantees, comfort letters and repayment of loans (outstanding as of the Effective Date) provided by the M&M Group to the Transferor Company 3 or its subsidiaries, such release or repayment to occur on the Effective Date;
 - (x) the certified copies of the court orders approving the Scheme being filed with the Registrar of Companies;
 - (xi) the certificate of merger for dissolution without winding up of the Transferor Company 3 having been registered with the relevant Governmental Authority of Mauritius according to the relevant Mauritian law in force;
 - (xii) the dissolution without winding up of the Transferor Company 5 having been registered with the Commercial Registry of Bizkaia (Spain) according to the relevant Spanish law in force;

- (xiii) purchase of the shares of Gears India OpCo by the Transferor Company 4 from M&M in terms of the Gears India OpCo SPA; and
 - (xiv) such other approvals and sanctions as may be required by Applicable Law in respect of this Scheme being obtained.
- (b) On the approval of this Scheme by the shareholders of each of the Transferor Companies and the Transferee Company such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the amalgamation set out in this Scheme, related matters and this Scheme itself.
- (c) In the event of the Scheme failing to take effect by June 30, 2015 or such later date as may be agreed by the respective Boards of Directors of the Transferor Companies and the Transferee Company, this Scheme shall stand cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred inter-se the Transferor Companies and the Transferee Company or their shareholders or creditors or employees or any other person. In such case, each of the Transferor Company and the Transferee Company shall bear its own costs and expenses or as may be mutually agreed.

19. Applications

The Transferor Companies and the Transferee Company shall with all reasonable dispatch make application(s) under Sections 391 and 394 and other applicable provisions of the Act to the High Court for sanctioning this Scheme and for dissolution of the Transferor Companies without winding up, as applicable.

The Transferor Company 3 shall undertake such acts as are necessary for the purpose of giving effect to the Scheme (including applying for the registration of its dissolution without winding-up with the relevant Governmental Authority of Mauritius according to the relevant Mauritian law in force).

The Transferor Company 5 shall undertake such acts as are necessary for the purpose of giving effect to the Scheme (including applying for the registration of its dissolution without winding-up with the Commercial Registry of Bizkaia (Spain) according to the relevant Spanish law in force).

20. Dissolution of the Transferor Companies

Upon the coming into effect of this Scheme, each of the Transferor Companies shall stand dissolved without winding-up without any further act or deed.

21. Dividends

- (a) The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to



their respective shareholders in respect of the accounting period prior to the Effective Date, provided that the shareholders of the Transferor Companies shall not be entitled to dividend, if any, declared and paid by the Transferee Company to its shareholders for the accounting period prior to the Effective Date.

- (b) The shareholders of the Transferor Companies and the Transferee Company 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.
- (c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Companies and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and the Transferee Company respectively, and subject to the approval, if required, of the shareholders of the Transferor Companies and the Transferee Company respectively.

22. Resolutions

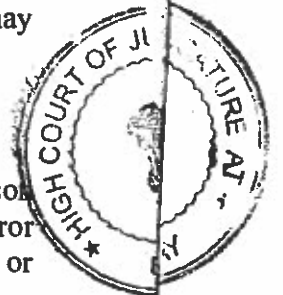
- (a) Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- (b) Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 293 (1) (d) of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Companies which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

23. Modifications to the Scheme

- (a) Each of the Transferor Companies (by its respective Board of Directors) and the Transferee Company (by its Board of Directors), may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which the respective Boards of Directors of each of the Transferor Companies or the Board of Directors of the Transferee Company, as the case may be, deem fit, or which the High Court and/or any other Governmental Authority may deem fit to approve or impose.



- (b) Each of the Transferor Companies (by its respective Board of Directors) and the Transferee Company (by its Board of Directors), may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent security holders of the respective companies), or to review the position relating to the satisfaction of various conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law).
- (c) The Transferor Companies (by its respective Board of Directors) and the Transferee Company (by its Board of Directors) may in any manner at any time, determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Transferor Companies or not, on the basis of any evidence that they may deem relevant for this purpose.
24. The Transferee Company shall be entitled, pending the sanction of this Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Companies.
25. Severability
- If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.
26. Upon this Scheme becoming effective, the accounts of the Transferor Companies and the Transferee Company (as applicable), as on the Appointed Date, shall be reconstructed in accordance with the terms of this Scheme.
27. The Transferee Company shall be entitled to file/revise its income tax returns, TDS certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of all taxes paid/withheld (whether Indian or foreign), if any, as may be required consequent to implementation of this Scheme.
28. Costs
- Subject to the provisions of Clause 18(c) of this Scheme, all costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by the Transferor Companies and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Companies with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.



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J. S. Pandey

AMARCHAND & MANGALDAS &
SURESH A. SHROFF & CO.
Advocates & Solicitors

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TRUE-COPY

Sonali
10/11/2014

Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

IN THE HIGH COURT OF JUDICATURE AT
BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 486 OF 2014
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 269
OF 2014

In the matter of Petition under Sections 391 to
394 and other relevant provisions of the
Companies Act, 1956 or re-enactment thereof;

And

In the matter of Scheme of Amalgamation of
Mahindra Hinoday Industries Limited (Transferor
Company 1) and Mahindra UGINE Steel Company
Limited (Transferor Company 2) and Mahindra
Gears International Limited (Transferor Company
3) and Mahindra Investments (India) Private
Limited (Transferor Company 4) and
Participaciones Internacionales Autometal TRES,
S.L. (Transferor Company 5) with Mahindra CIE
Automotive Limited (formerly known as
Mahindra Forgings Limited) (Transferee
Company).

Mahindra CIE
Automotive Limited ... Petitioner Company

**Authenticated copy of the Minutes of the Order dated
31st October, 2014 alongwith Sanctioned Scheme**

Dated this ___ day of November, 2014

Approved on 31/10/2014
Dagrossed on 05/11/2014
Declaro Write
Folio
Examined by [Signature]
Compared with [Signature]
Ready on 10/11/2014
Witnessed on 11/11/2014

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400 013
Advocates for the Petitioner Company

HIGH COURT, BOMBAY

217748

CSP nos. 481 and 482 of 2014

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 481 OF 2014

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 264 OF 2014

Mahindra Composites Limited [CIN: L24117PN1982PLC028040] ... Petitioner

AND

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 482 OF 2014

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 265 OF 2014

Mahindra CIE Automotive Limited [CIN: L27100MH1999PLC121285] ... Petitioner

In the matter of the Companies Act, 1956;

-And-

In the matter of Petition under Sections 391 to 394 read with other relevant provisions of the Companies Act, 1956;

-And-

In the matter of Scheme of Amalgamation of Mahindra Composites Limited (Transferor Company) with Mahindra CIE Automotive Limited (formerly known as Mahindra Forgings Limited) (Transferee Company).

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HIGH COURT, BOMBAY

217747

CSP nos. 481 and 482 of 2014

Called for Hearing:

Mr. Zal Andhyarujina along with Mr. Simil Purohit and Mr. Tapan Deshpande, Advocates instructed by Amarchand & Mangaldas & Suresh A. Shroff & Co., Advocates for the Petitioner Companies.

Ms. S. I. Shah along with Ms. Purnima Awasthi, Advocates i/b. Mr. H. P. Chaturvedi, Regional Director in both Petitions

Mr. S. Ramakanta, Official Liquidator, present in CSP no. 481 of 2014

Coram : S. J. Kathawalla, J.

Date: 31st October, 2014

PC

1. Heard Counsel for the parties. No objector has come before the court to oppose the Scheme nor has any party controverted averments made in the Petition.
2. Learned Advocate for the Petitioner Company states that the Petitions have been filed to seek sanction to the Scheme of Amalgamation of Mahindra Composites Limited (Transferor Company) with Mahindra CIE Automotive Limited (formerly known as Mahindra Forgings Limited) (Transferee Company) (Scheme), pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956.
3. The Transferor Company is engaged *inter alia* in the business of composites for automotive and electrical switchgear applications (SMC/DMC composites) made from glass fibre in an unsaturated polyester resin matrix. The Transferee Company is engaged *inter alia* in the business of (a) manufacture and sale of parts, including but not limited to parts used in the automotive industry, using machining and forgings (hot forged ferrous grades excluding stainless steel); (b.) manufacturer of forged and machined products; (c.) manufactures a variety of auto components in India, primarily being crankshafts, stub axles, steering knuckles, links, knuckles, spindles, shafts, pistons and ball joints that are used in various industries and (d.) produces steering

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components for commercial vehicles. The learned Advocate for the Petitioner Companies says that the rationale and significant benefits of the Scheme are that, (a.) the Transferor Company and the Transferee Company, amongst others, have entered into an agreement dated 15th June, 2013, pursuant to which it has been agreed to amalgamate the Transferor Company into the Transferee Company, on the terms and conditions as set out in the Scheme of Amalgamation and in compliance with the provisions of Sections 2(IB) of the Income Tax Act, 1961; and (b.) the Transferor Company and the Transferee Company are engaged in complementary businesses. CIE Automotive S.A., a company incorporated under the laws of Spain, having its registered office at Iparraguirre n° 34, 2º derecha, 48011 Bilbao (Spain), being in control of Transferor Company and the Transferee Company, believes that combining the business of the Transferor Company and the Transferee Company will result in enhancing shareholder value for the shareholders of the Transferor Company and the Transferee Company. The Board of Directors of the Transferor Company and the Transferee Company, have approved said Scheme by passing their respective board resolutions which are annexed to the respective Petitions.

4. The Learned Advocate for the Petitioner Companies states that the Petitioner Companies have complied with all the directions passed in the respective Company Summons for Direction and that the respective Company Scheme Petitions have been filed in consonance with the orders passed in respective Company Summons for Direction.
5. The Learned Advocate appearing on behalf of the Petitioner Companies has stated that the Petitioner Companies have complied with all requirements as per directions of this Court and they have filed necessary Affidavit of compliance in the Court.

Moreover the Petitioner Companies undertake to comply with all statutory requirements if any, as required under the Companies Act, 1956/2013 and the Rules made thereunder whichever is applicable. The said undertakings are accepted.

6. The Regional Director has filed an Affidavit on 7th October, 2014 stating therein that save and except as stated in paragraph 6, of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of the shareholders and public. In paragraph 6 of the said affidavit it is stated that :

"6. That the Deponent further submits that,

- (a) With reference to clause 14(v) of the Scheme, it is submitted that the surplus, if any, arising out of the scheme shall be transferred to Capital Reserve Account of the Transferee Company and if any deficit is arising the same shall be debited to goodwill account of the Transferee Company.
- (b) That the Deponent further submits that the Tax issue if any arising out of this scheme shall be subject to final decision of Income Tax Authority and approval of the scheme by Hon'ble High Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the petitioner company after giving effect to the amalgamation. The decision of the Income Tax Authority is binding on the petitioner company.
- (c) Clause 13(d) of the scheme provides for merging of the authorized share capital of the Transferor Company with that of the Transferee Company. The proposed amendment to the clause V of the Memorandum of Association and Article 3 of the Article of Association of the Transferee Company reveals that the authorized capital of the Transferee Company would be INR 4,869,426,386. In this regard, it is observed that such figure has been arrived at taking into consideration of the authorized share capital of the Transferor Company involved in



the connected composite scheme petition filed in CSP 483 to 486 of 2014, before this Hon'ble Court. Hence, it is suggested that clause 13(d) of the scheme be suitably corrected by inserting the following words after the words "further act or deed" appearing in the last line of the said clause.

"However, after giving effect to the connected integrated scheme filed by the Transferee company herein".

7. As far as observation in paragraph 6 (a) of the said Affidavit is concerned, the Transferee Company undertakes that the surplus, if any, arising out of the Scheme shall be transferred to Capital Reserve Account of the Transferee Company and if any deficit is arising, the same shall be debited to goodwill account of the Transferee Company.
8. As far as observation in paragraph 6 (b) of the said Affidavit is concerned, the Transferee Company through its counsel submits that the Transferee Company is bound to comply with all applicable provisions of the Income Tax Act and all tax issues arising out of the Scheme will be answered in accordance with law.
9. As far as observation in paragraph 6(c.) of the said Affidavit is concerned, the counsel for the Transferee Company states that in terms of clause 15 (a) (i) of the Scheme, sanction to the Scheme is subject to the sanction to the connected Integrated Scheme filed by the Transferee Company in this Court in CSP Nos. 483, 484, 485 and 486 of 2014, thus the correction as suggested by the Regional Director in para 13 (d) of the Scheme need not be carried out as not required.
10. The Learned Counsel for the Regional Director on instructions of Mr. M. Chandanamuthu, Joint Director Legal, in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai states that they are satisfied with the

undertakings given hereinabove by the Petitioner Companies through its Advocate and also agrees that corrections to para 13 (d) of Scheme is not required. The undertakings given by the Petitioner Companies hereinabove are accepted.

11. The Official Liquidator has filed his Report on 22nd September, 2014 stating that the affairs of the Transferor Company have been conducted in a proper manner and that the Transferor Company may be ordered to be dissolved by this Court.
12. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
13. Since all requisite statutory compliance have been fulfilled, Company Scheme Petition No. 481 of 2014 filed by the Transferor Company is made absolute in terms of prayer clauses (a) and (b) and Company Scheme Petition No. 482 of 2014 filed by the Transferee Company is made absolute in terms of prayer clause (a).
14. The Transferee Company to file/lodge a copy of this order along with a copy the Scheme, duly authenticated by the Company Registrar, High Court [O.S.], Bombay, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of the order.
15. The Petitioner Companies are directed to file a copy of this order along with a copy of the Scheme duly authenticated by the Company Registrar, High Court [O.S.], Bombay, with the concerned Registrar of Companies, electronically, along with e-form 21/ INC 28 in addition to physical copy as per the provisions of Companies Act, 1956/2013, whichever is applicable.

HIGH COURT, BOMBAY

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CSP nos. 481 and 482 of 2014

16. The Petitioner Companies in the respective Company Scheme Petitions to pay costs of Rs. 10,000/- each to the Regional Director, Western Region, Mumbai and the Petitioner Company in Company Scheme Petition No. 481 of 2014 to pay a sum of Rs. 10,000/- to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from today.
17. Filing and issuance of the respective drawn up orders are dispensed with.
18. All concerned authorities to act on a copy of this order along with the Scheme, duly authenticated by the Company Registrar, High Court [Q.S.], Bombay.

(S. J. Kathawalla, J.)

TRUE COPY
[Signature]
5-11-2014
Section Officer
High Court, Appellate Side
Bombay

[Signature]
10/11/2014

SCHEME OF AMALGAMATION

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

OF

Mahindra Composites Limited ... **Transferor Company**

WITH

Mahindra CIE Automotive Limited
(formerly known as Mahindra Forgings Limited) ... **Transferee Company**

- A. **Mahindra Composites Limited** is a public limited company incorporated under the Companies Act, 1956 with its registered office at 145, Mumbai-Pune Road, Pimpri, Pune 411018, Maharashtra, India ("Transferor Company"). The Transferor Company is engaged in the business of composites for automotive and electrical switchgear applications (SMC/DMC composites made from glass fibre in an unsaturated polyester resin matrix. The equity shares of the Transferor Company are listed on the BSE.
- B. **Mahindra CIE Automotive Limited** (formerly known as Mahindra Forgings Limited) is a public limited company incorporated under the Act with its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018, Maharashtra, India ("Transferee Company"). The Transferee Company is engaged in the business of manufacture and sale of parts, including but not limited to parts used in automotive industry, using forgings (hot forged ferrous grades excluding stainless steel). The equity shares of the Transferee Company are listed on the BSE and the NSE.
- C. The Transferor Company and the Transferee Company are engaged in complementary businesses. CIE believes that following the acquisition of a controlling stake in the Transferor Company and the Transferee Company, combining the businesses of the Transferor Company and the Transferee Company will result in enhancing shareholder value for the shareholders of the Transferor Company and the Transferee Company..
- D. Accordingly, this Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and the consequent issue of equity shares of the Transferee Company to the shareholders of the Transferor Company pursuant to Sections 391 to 394 and other relevant provisions of the Act, and various other matters consequential to or otherwise connected with the above in the manner provided for in this Scheme.
- E. The amalgamation of the Transferor Company with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.
- F. This Scheme is divided into the following parts:
- (a) **Part I**, which deals with the introduction and definitions, and sets out the share capital of the Transferor Company and the Transferee Company;

- (b) **Part II**, which deals with the amalgamation of the Transferor Company with the Transferee Company; and
- (c) **Part III**, which deals with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme.

PART I – GENERAL

1. Definitions And Interpretation

- (a) In this Scheme, unless the context or meaning otherwise requires (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

“**Act**” means the Companies Act, 1956;

“**Applicable Law**” or “**Law**” means any applicable statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval from the concerned authority, directive, guideline, press note, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Government Authority in effect in the Republic of India;

“**Appointed Date**” means October 1, 2013;

“**Board of Directors**” or “**Board**” in relation to each of the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the amalgamation, this Scheme and/or any other matter relating thereto;

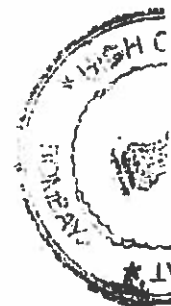
“**BSE**” means The BSE Limited;

“**Castings**” means Mahindra Hinoday Industries Limited, a public limited company incorporated under the Act, having its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra, India;

“**CIE**” means CIE Automotive S.A., a company (“*Sociedad Anónima*”) incorporated under the laws of Spain, having its registered office at Iparraguirre nº 34, 2º derecha, 48011 Bilbao (Spain) and listed on the Madrid and Bilbao stock exchanges;

“**Commencement Date**” shall mean June 15, 2013;

“**Control**” means (i) in relation to a body corporate, the right to exercise, or control the exercise, whether directly or indirectly, acting alone or together with another Person, of more than 50% (fifty percent) of the total voting rights at a general meeting of that body corporate, or the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the policy



decisions of that body corporate, including the composition of any board of directors (or equivalent body) of that body corporate, or (ii) in relation to any Person which is not a body corporate, the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the policy decisions of that Person;

“**Effective Date**” means the last of the dates on which all the conditions and matters referred to in Clause 15 occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of ‘coming into effect of this Scheme’ or ‘effectiveness of this Scheme’ or ‘Scheme coming into effect’ shall mean the Effective Date;

“**Eligible Employees**” means the Employees and the employees of any holding or subsidiary company of the Transferor Company who are entitled to employee stock options under the Transferor Company Stock Option Scheme, and to whom, as on the Record Date, options of the Transferor Company have been granted, irrespective of whether the same are vested or not;

“**Employees**” mean all the permanent employees of the Transferor Company, as the case may be, as on the Effective Date;

“**Encumbrance**” means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same and the term “**Encumbered**” shall be construed accordingly;

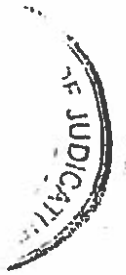
“**Existing Stock Option Scheme**” means the Employees’ Stock Option Scheme, 2007 of the Transferee Company;

“**Funds**” shall have the meaning assigned to it in Clause 8(c);

“**Gears Europe HoldCo**” means Mahindra Gears International Limited, a company incorporated under the laws of Mauritius, having its registered office at IFS Court, 28, Cyber City, Ebene, Mauritius;

“**Gears India HoldCo**” means Mahindra Investments (India) Private Limited, a company incorporated under the Act and having its registered office at Mahindra Towers, near Doordarshan Kendra, Pandurang Budhkar Marg, Worli, Mumbai – 400018, Maharashtra, India;

“**Governmental Authority**” means (i) a national government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any



of the above, however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India;

“**High Court**” means the High Court of Judicature at Mumbai and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under Sections 391 to 394 of the Act;

“**INR**” or “**Rupees**” means the lawful currency of Republic of India;

“**Implementation Period**” means the period intervening the Commencement Date and the Effective Date;

“**Integrated Scheme**” means the scheme of arrangement under Sections 391 to 394 of the Act, providing for the amalgamation of Castings, Gears Europe HoldCo, Gears India HoldCo, MUSCO and PIA 3 into the Transferee Company;

“**Liabilities**” shall have the meaning assigned to it in Clause 6(a);

“**MUSCO**” means Mahindra UGINE Steel Company Limited, a company incorporated under the Act, having its registered office at 74, Ganesh Apartment, LJ Road, Mahim, Mumbai – 400016, Maharashtra, India and listed on the Stock Exchanges;

“**NSE**” means the National Stock Exchange of India Limited;

“**Person**” means any individual (including in his capacity as trustee), entity, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship or other enterprise (whether incorporated or not), Hindu undivided family, union, association of persons, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

“**PIA 3**” means Participaciones Internacionales Autometal Tres, S.L., a company (“*Sociedad de responsabilidad limitada*”) incorporated under the laws of Spain, having its registered office at Iparraguirre nº 34, 2º derecha, 48011, Bilbao, Spain;

“**Record Date**” means the date to be fixed by the Board of Directors of the Transferee Company for the purpose of determining the equity shareholders of the Transferor Company, to whom shares of the Transferee Company will be allotted pursuant to this Scheme;

“**Registrar of Companies**” means the Registrar of Companies, Maharashtra, Mumbai and Registrar of Companies, Maharashtra, Pune;



“Scheme” means this scheme of amalgamation, as amended or modified in accordance with the provisions hereof;

“SEBI” means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

“SEBI Circulars” mean Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, each issued by the SEBI;

“Stock Exchanges” mean each of the BSE and the NSE;

“Transferor Company Stock Option Scheme” shall have the meaning assigned to it in Clause 8(e);

“Transferee Stock Option Scheme” shall have the meaning assigned to it in Clause 8(e); and

“Undertaking” means all the undertakings and entire business of the Transferor Company as a going concern, including, without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether situated in India or abroad, including, without limitation, all manufacturing units and facilities, all land, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, guest houses, godowns, warehouses, vehicles, D.G. sets, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to

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or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- (ii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- (iii) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company; and
- (iv) all trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company.
- (b) All terms used but not defined in this Scheme shall, unless contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act or any statutory modification or re-enactment thereof for the time being in force or any legislation which replaces the Act.



- (c) References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- (d) The headings herein shall not affect the construction of this Scheme.
- (e) Unless the context otherwise requires:
- (i) the singular shall include the plural and *vice versa*; and references to one gender include all genders.
 - (ii) references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
 - (iii) reference to any law or to any provision thereof or to any rule or regulation promulgated thereunder includes a reference to such law, provision, rule or regulation as it may, from time to time, be amended, supplemented or re-enacted, or to any law, provision, rule or regulation that replaces it.
 - (iv) Without prejudice to generality of (iii) above, references to the Companies Act, 1956 and specific provisions thereof will be deemed to mean or include references to Companies Act, 2013 and corresponding provisions thereof, as and when provisions of the Companies Act, 2013 are made effective.

2. Share Capital

(a) Transferor Company

The share capital structure of the Transferor Company as on June 15, 2013 is as under:

A. Authorized Share Capital	
15,000,000 equity shares of INR 10 per share	150,000,000
Total	150,000,000

B. Issued and Subscribed Share Capital	
4,414,974 equity shares of INR 10 per share	44,149,740
Total	44,149,740

C. Paid up Share Capital	
4,413,924 equity shares of INR 10 per share fully paid up*	44,139,240
Total	44,139,240

* Excluding 1050 equity shares not allotted but held in abeyance.

The equity shares of the Transferor Company are listed on the BSE.



(b) Transferee Company

The share capital structure of Transferee Company as on June 15, 2013 is as under:

A. Authorised Share Capital	Amount in INR
122,000,000 equity shares of INR 10 per share	1,220,000,000
14,820,206 non-cumulative non-convertible redeemable preference shares of INR 31 each	459,426,386
Total	1,679,426,386

B. Issued and Subscribed Share Capital	Amount in INR
92,173,306 equity shares of INR 10 per equity share	921,733,060
Total	921,733,060

C. Paid up Share Capital	Amount in INR
92,173,306 equity shares of INR 10 per share fully paid up	921,733,060
Total	921,733,060

The equity shares of the Transferee Company are listed on the Stock Exchanges.

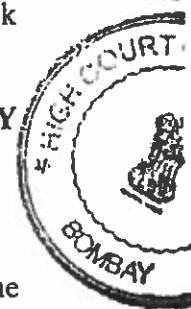
PART II – AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

Section 1 – Transfer

3. Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the High Court and pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, the Undertaking shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

4. Vesting of Assets

(a) Without prejudice to the generality of Clause 3 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertaking of whatsoever nature and where so ever situate shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.



- (b) Without prejudice to the provisions of Clause 4(a) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.
- (c) In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause 4(b) above) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.
- (d) All assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, 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 Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.
- (e) All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred

INDICATURE

to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

5. Contracts, Deeds etc.

- (a) Upon the 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, to which the Transferor Company is a party or to the benefit of which the Transferor Company 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 Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- (b) Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- (c) Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.



6. Transfer of Liabilities

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and

obligations of the Transferor Company of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of this Scheme by the High Court and under the provisions of Sections 391 to 394 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause 6.

- (b) Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- (c) All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 391 to 394 of the Act, 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 Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- (d) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Transferor Company and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

7. Encumbrances

- (a) The transfer and vesting of the assets comprised in the Undertaking to the Transferee Company under Clause 4 and Clause 5 shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.



- (b) All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Company have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (c) The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- (d) Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, 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, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- (f) It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.
- (g) The provisions of this Clause 7 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 or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

8. Employees

- (a) Upon the coming into effect of this Scheme, all Employees of the Transferor Company shall, become the employees of the Transferee Company, on terms and conditions not less favourable



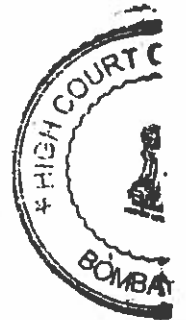
than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the amalgamation of the Transferor Company with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the Transferor Company and such benefits to which the Employees are entitled in the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.

- (b) It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits (including employee stock options) that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/ settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any union/ employee of the Transferor Company.
- (c) Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Company for its Employees or to which the Transferor Company is contributing for the benefit of its Employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the Employees shall be merged with the funds created by the Transferee Company.
- (d) In relation to those Employees for whom any of the Transferor Company is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make

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contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

- (e) (i) In respect of the stock options of the Transferor Company granted by the Transferor Company under the Employees Stock Option Scheme, 2009 (ESOS-2009) ("**Transferor Company Stock Option Scheme**"), upon the effectiveness of the Scheme, the Transferee Company shall issue stock options to the Eligible Employees taking into account the share exchange ratio set out in Clause 13(a), on terms and conditions not less favourable than those provided under the Transferor Company Stock Option Scheme. Such stock options may be issued by the Transferee Company either under the Existing Stock Option Scheme or under a separate employee stock option scheme created by the Transferee Company *inter alia* for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme ("**Transferee Stock Option Scheme**").
- (ii) It is hereby clarified that the options granted by the Transferee Company to the Eligible Employees pursuant to this Clause 8(e), in lieu of options granted to them under the Transferor Company Stock Option Scheme would be granted on the basis of the share exchange ratio set out in Clause 13(a), i.e., for every 100 (one hundred) options held by an Eligible Employee which entitle such Eligible Employee to acquire 100 (one hundred) equity shares in the Transferor Company, such Eligible Employee will be conferred 90 (ninety) options in the Transferee Company which shall entitle him to acquire 90 (ninety) equity shares in the Transferee Company. Fractional entitlements, if any, arising pursuant to the applicability of the share exchange ratio as above shall be rounded off to the nearest higher integer.
- (iii) The total exercise price payable for options granted by the Transferee Company to the Eligible Employees shall be equivalent to the total exercise price payable by such Eligible Employees under the Transferor Company Stock Option Scheme, for such options.
- (iv) The grant of options to the Eligible Employees pursuant to this Clause 8 (e) of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Scheme and the Existing Stock Option Scheme, including without limitation, for the purposes of creating the Transferee Stock Option Scheme and/or modifying the Transferee Stock Option Scheme and/or the Existing Stock Option Scheme (including increasing the maximum number of equity



shares that can be issued consequent to the exercise of the stock options granted under the Existing Stock Option Scheme, and/or modifying the exercise price of the stock options under the Transferee Stock Option Scheme and/or the Existing Stock Option Scheme), and all related matters. No further approval of the shareholders of the Transferee Company would be required in this connection under Section 81(1A) of the Act and/or any other Applicable Law.

(v) It is hereby clarified that in relation to the options granted by the Transferee Company to the Eligible Employees pursuant to this Scheme, in lieu of options granted to them under the Transferor Company Stock Option Scheme, the period during which the options granted by the Transferor Company were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under applicable law for stock options granted under the Transferee Stock Option Scheme or the Existing Stock Option Scheme, as the case may be. Subject to Applicable Law, the adjustments to the exercise price per option and option entitlement of the Eligible Employees proposed under this Clause 8(e) shall be appropriately reflected in the accounts of the Transferee Company.

(vi) The Boards of Directors of the Transferor Company and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 8(e).

9. Legal, Taxation and other Proceedings

Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date shall be continued and/ or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.

10. Without prejudice to the provisions of Clauses 3 to 9, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

Section 2 – Conduct of Business

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

(a) the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and



investments for and on account of, and in trust for, the Transferee Company;

- (b) all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Transferee Company;
- (c) any of the rights, powers, authorities or privileges 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 Transferee Company. Similarly, any of the obligations, duties and commitments 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 Transferee Company; and
- (d) all taxes (including, without limitation, income tax, sales tax, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/ or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.



Section 3 – Issue of shares of the Transferee Company

- 12. The provisions of this Section 3 of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.
- 13. Issue of new equity shares
 - (a) Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Undertaking in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Transferor Company, whose name is registered in the Register of Members of the Transferor Company on the Record Date or his/ her/ its legal heirs, executors or successors as the case may be, equity shares in the Transferee Company, in the ratio of 90 (ninety) equity shares of the face value of INR 10 (ten) each (credited as fully paid up) of the Transferee Company for every 100 (one hundred) equity shares of the face value of INR 10 (ten) each (credited as fully paid-up) held by such member in the Transferor Company. No fractional shares shall be issued by the Transferee Company.

- (b) Upon this Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with Clause 13(a) above. It is clarified that no special resolution under Section 81(1A) of the Act shall be required to be passed by the Transferee Company separately in a general meeting for issue of shares to the members of the Transferor Company under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of equity shares of the Transferee Company to the members of the Transferor Company in accordance with Clause 13(a) above.
- (c) As a part of this Scheme, and, upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the Transferor Company.
- (d) The capital clause of the Memorandum of Association and the Articles of Association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

MEMORANDUM OF ASSOCIATION

“V. The Authorised Share Capital of the Company is INR 4,869,426,386 (Rupees four billion eight hundred sixty nine million four hundred twenty six thousand three hundred eighty six only) divided into 395,000,000 (three hundred ninety five million) Equity Shares of INR 10 (Rupees ten only) each aggregating INR 3,950,000,000 (Rupees three billion nine hundred fifty million only) and 29,658,916 (twenty nine million six hundred fifty eight thousand nine hundred sixteen) 4% (four percent) Non Cumulative Redeemable Non Convertible Preference Shares of INR 31 (Rupees thirty one only) each aggregating INR 919,426,386 (Rupees nine hundred nineteen million four hundred twenty six thousand three hundred eighty six only), with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force.”

ARTICLES OF ASSOCIATION

“3. The Authorised Share Capital of the Company is INR 4,869,426,386 (Rupees four billion eight hundred sixty nine million four hundred twenty six thousand three hundred eighty six only) divided into 395,000,000 (three hundred ninety five million)

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Equity Shares of INR 10 (Rupees ten only) each aggregating INR 3,950,000,000 (Rupees three billion nine hundred fifty million only) and 29,658,916 (twenty nine million six hundred fifty eight thousand nine hundred sixteen) 4% (four percent) Non Cumulative Redeemable Non Convertible Preference Shares of INR 31 (Rupees thirty one only) each aggregating INR 919,426,386 (Rupees nine hundred nineteen million four hundred twenty six thousand three hundred eighty six only), with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force.”

- (e) It is clarified that for the purposes of Clause 13(c) and 13(d) above, the consent of the shareholders of the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the above amendment or increase in the authorised share capital of the Transferee Company, and no further resolution under Section 16, Section 31, Section 94 or any other applicable provisions of the Act, would be required to be separately passed. The stamp duties and fees (including registration fee) paid on the authorised share capital of the Transferor Company shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in the authorised share capital to that extent.
- (f) The shares issued to the members of the Transferor Company by the Transferee Company pursuant to Clauses 13(a) above shall be credited to the depository account of the members, unless otherwise notified in writing by any member of the Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the shares shall be credited to the depository account of the members provided that the members of the Transferor 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. It is only thereupon that the Transferee Company shall issue and directly credit to the account of such member the relevant shares of the Transferee Company. In the event that the Transferee Company has received notice from any member that shares are to be issued in certificate 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, then the Transferee Company shall issue shares in certificate form to such member.



- (g) In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor/ transferee of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company after the effectiveness of this Scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company.
- (h) Equity shares to be issued by the Transferee Company pursuant to Clauses 13(a) above in respect of such of the equity shares of the Transferor Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Transferee Company.
- (i) The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank *pari passu* in all respects with the then existing equity shares of the Transferee Company.
- (j) The equity shares of the Transferee Company issued in terms of this Scheme will be listed and/or admitted to trading on the Stock Exchanges. The shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the Stock Exchanges.
- (k) In case any shareholder's holding in any Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

PART III – DISSOLUTION OF TRANSFEROR COMPANY AND OTHER GENERAL TERMS AND CONDITIONS

14. Accounting and Tax Treatment

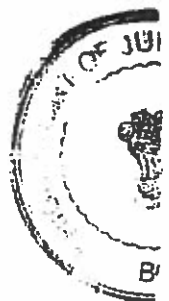
(a) Accounting

Save as hereinafter provided, the reserves of the Transferor Company shall be accounted for, while incorporating the assets and liabilities of the Transferor Company in the accounts of the Transferee Company, in accordance with Accounting Standard 14 (Accounting for Amalgamations) issued by the Institute of Chartered Accountants of India in consultation with the National

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Advisory Committee on Accounting Standards as per Section 211(3C) of the Act . Upon the Scheme becoming effective and with effect from the Appointed Date:

- (i) The Transferee Company shall record the assets and liabilities of the Transferor Company pursuant to this Scheme at their respective book values as appearing in the books of the Transferor Company. In case of conflicting accounting policies between the entities, a uniform policy will be adopted on merger and effect on the financial statements of such change in policy will be reported as per Accounting Standard 5 (Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies) and the same shall be dealt with in accordance with prevailing accounting standards and Generally Accepted Accounting Principles in India;
- (ii) The Transferee Company shall credit its issued and paid up share capital account with the aggregate face value of the shares issued pursuant to Clause 13 of this Scheme;
- (iii) All the reserves relating to and reflecting in the books of the Transferor Company shall appear in the books of the Transferee Company in the same form in which they appeared in the books of the Transferor Company after giving effect to 14(a)(i) above;
- (iv) The balance in the Statement of Profit and loss appearing in the books of the Transferor Company shall be dealt with in the books of the Transferee Company in accordance with Accounting Standard 14 (Accounting for Amalgamations);
- (v) The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the Transferor Company is adjusted in reserves in the financial statements of the Transferee Company;
- (vi) To the extent that there are inter-corporate loans, debentures, debt securities or balances between the Transferor Company and the Transferee Company *inter se*, the obligation in respect thereof shall come to an end and the corresponding effect shall be given in the books of account and the records of the Transferee Company for the reduction of any assets or liabilities, as the case may be. The difference, if any, arising upon such cancellation, shall be credited or debited, as the case may be, to the Capital Reserve account of the Transferee Company. For the removal of doubts, there would be no accrual of interest or other charges in respect of any such inter-company loans, debentures, debt securities or balances with effect from the Appointed Date;
- (vii) Notwithstanding the above, the Board of the Transferee Company, is authorized to account any of these balances in any manner whatsoever, as may be deemed fit in



accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India in consultation with the National Advisory Committee on Accounting Standards as per Section 211(3C) of the Act and Generally Accepted Accounting Principles in India.

(b) Tax

- (i) Upon the Scheme coming into effect, all taxes (direct and/or indirect)/ cess/ duties payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with any Governmental Authority and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, and unutilized CENVAT credit, VAT credit etc shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and unutilized CENVAT credits, VAT credit and rights to claim credit or refund etc of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns, wealth tax returns, sales tax returns, excise and CENVAT returns, service tax returns, other statutory returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme.
- (ii) The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between or amongst the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 14(b)(i) above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.
- (iii) The withholding tax/ advance tax/ minimum alternate tax, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute in respect of income of the Transferor Company assessable for the period commencing from Appointed Date shall be deemed to be the tax deducted from/advance tax paid by the Transferee Company and credit for such withholding tax/advance tax/ minimum alternate tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/advance tax are in the name of the Transferor Company and not in the name of the Transferee Company.



- (iv) The service tax paid by the Transferor Company under the Finance Act, 1994 in respect of services provided by the Transferor Company for the period commencing from the Appointed Date shall be deemed to be the service tax paid by the Transferee Company and credit for such service tax shall be allowed to the Transferee Company notwithstanding that challans for service tax payments are in the name of the Transferor Company and not in the name of the Transferee Company.

15. Conditions Precedent

- (a) The effectiveness of the Scheme is conditional upon and subject to:
- (i) the Integrated Scheme having come into effect in accordance with its terms;
 - (ii) receipt of approval from the Competition Commission of India for this Scheme in form and substance reasonably satisfactory to the Transferor Company and the Transferee Company or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;
 - (iii) receipt of approval from the Bundeskartellamt for this Scheme in form and substance reasonably satisfactory to the Transferor Company and the Transferee Company or the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;
 - (iv) this Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors (where applicable) of the Transferor Company and the Transferee Company as required under the Act and the requisite orders of the High Court being obtained;
 - (v) approval of the Scheme by the public shareholders of the Transferor Company and the Transferee Company in accordance with the provisions of the SEBI Circulars ;
 - (vi) receipt of pre-filing and post sanction approvals of the relevant Stock Exchange and the SEBI in terms of the SEBI Circulars, as applicable;
 - (vii) the certified copies of the court orders approving the Scheme being filed with the Registrar of Companies; and
 - (viii) such other approvals and sanctions as may be required by Applicable Law in respect of this Scheme being obtained.
- (b) On the approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the amalgamation set out in this Scheme, related matters and this Scheme itself.



- (c) In the event of the Scheme failing to take effect by June 30, 2015 or such later date as may be agreed by the respective Boards of Directors of the Transferor Company and the Transferee Company, this Scheme shall stand cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred inter-se the Transferor Company and the Transferee Company or their shareholders or creditors or employees or any other person. In such case, each of the Transferor Company and the Transferee Company shall bear its own costs and expenses or as may be mutually agreed.

16. Applications

The Transferor Company and the Transferee Company shall with all reasonable dispatch make application(s) under Sections 391 and 394 and other applicable provisions of the Act to the High Court for sanctioning this Scheme and for dissolution of the Transferor Company without winding up, as applicable.

17. Dissolution of the Transferor Company

Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up without any further act or deed.

18. Dividends

- (a) The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date, provided that the shareholders of the Transferor Company shall not be entitled to dividend, if any, declared and paid by the Transferee Company to its shareholders for the accounting period prior to the Effective Date.
- (b) The shareholders of the Transferor Company and the Transferee Company 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.
- (c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of Directors of the Transferor Company and the Transferee Company respectively, and subject to the approval, if required, of the shareholders of the Transferor Company and the Transferee Company respectively.

19. Resolutions

- (a) Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be



considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

- (b) Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 293 (1) (d) of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

20. Modifications to the Scheme

- (a) The Transferor Company (by its respective Board of Directors) and the Transferee Company (by its Board of Directors), may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which the Boards of the Transferor Company or the Board of the Transferee Company, as the case may be, deem fit, or which the High Court and/or any other Governmental Authority may deem fit to approve or impose.
- (b) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), may give such directions as they may consider necessary to settle any question or difficulty arising under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent security holders of the respective companies), or to review the position relating to the satisfaction of various conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law).
- (c) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) may in any manner at any time, determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Transferor Company or not, on the basis of any evidence that they may deem relevant for this purpose.

21. The Transferee Company shall be entitled, pending the sanction of this Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

22. Severability

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



23. Upon this Scheme becoming effective, the accounts of the Transferor Company and the Transferee Company (as applicable), as on the Appointed Date, shall be reconstructed in accordance with the terms of this Scheme.
24. The Transferee Company shall be entitled to file/ revise its income tax returns, TDS certificates, TDS returns, wealth tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of all taxes paid/withheld (whether Indian or foreign), if any, as may be required consequent to implementation of this Scheme.
25. Costs
- Subject to the provisions of Clause 15(c) of this Scheme, all costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by the Transferor Company and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.



TRUE COPY
[Signature]
AMARCHAND & MANGALDAS &
SURESH A. SHROFF & CO.
Advocates & Solicitors

TRUE-COPY
[Signature]
10/11/2014
Mrs. K. S. SANE
COMPANIES REGISTRAR
HIGH COURT (O.S.)
BOMBAY

IN THE HIGH COURT OF JUDICATURE AT
BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 482 OF 2014
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 265
OF 2014

In the matter of Petition under Sections 391 to
394 and other relevant provisions of the
Companies Act, 1956;

And

In the matter of Scheme of Amalgamation of
Mahindra Composites Limited (Transferor
Company) with Mahindra CIE Automotive
Limited (formerly known as Mahindra Forgings
Limited) (Transferee Company).

Mahindra CIE
Automotive Limited ... Petitioner Company



**Authenticated copy of the Minutes of the Order dated
31st October, 2014 alongwith Sanctioned Scheme**

Dated this ___ day of November, 2014

31/10/2014
Engrossed on 05/11/2014
Section Writer
Police
Examined by [Signature]
Compared with
Ready on 10/11/2014
Verified on 11/11/2014

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel,
Mumbai 400 013
Advocates for the Petitioner Company

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION #
OF

MAHINDRA CIE AUTOMOTIVE LIMITED

1. The regulations contained in Table “A” of the First Schedule to the Companies Act, 1956 shall apply to the Company, in the same manner and to the same extent as if they were contained in these Articles, except in so far as these Articles do not exclude or modify the regulations contained in Table A.

INTERPRETATION

2. In the interpretation of these Articles, unless repugnant to the subject or context - **‘The Company’ or ‘This Company’**

‘The Company’ or ‘This Company’ means **“Mahindra CIE Automotive Limited”***.

The Act means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force, including the Companies Act, 2013. Any references to specific Sections of the Companies Act, 1956 in these Articles shall be deemed to refer, *mutatis mutandis*, to the corresponding Sections of the Companies Act, 2013, as applicable.

‘The Act’

‘These Articles’ means the Articles of Association for the time being of the Company or the Articles of Association as altered from time to time by special resolution.

‘These Articles’

‘Acceptance Notice’ shall have the meaning assigned to it in Article 83(4).

‘Acceptance Notice’

‘Additional Shares’ shall have the meaning as assigned to it in Article 7A.

‘Additional Shares’

‘Affiliate’ means in relation to any Party, any Person that directly or indirectly through 1 (one) or more Person(s), Controls, is Controlled by, or is under common Control with, the Party.

‘Affiliate’

‘Alter’ and ‘Alteration’ shall include the making of addition and deletions.

‘Alter’

“Alternate Director” shall have the meaning assigned to it in Article 147.

‘Alternate Director’

‘Annual General Meeting’ means a General Meeting of the members held in accordance with Section 166 of the Act.

‘Annual General Meeting’

‘Applicable Law’ or ‘Law’ means any applicable statute, law, regulation, ordinance, rule, judgement, order, decree, clearance, approval from the concerned authority, directive, guideline, press note, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Government Authority in effect in the Republic of India.

‘Applicable Law’ or ‘Law’

New set of Articles of Association adopted by Special Resolution passed by the members through postal ballot on 1st November, 2013.

‘Auditors’	‘Auditors’ means and includes those persons appointed as such for the time being by the Company.
‘Autometal’	‘Autometal’ means Autometal S.A., a public limited company incorporated under the laws of Brazil having its registered office at Av. Fagundes de Oliveira. 1650-CEP-09950-905 Diadema SP Brasil, and listed on the Sao Paulo (Bovespa) stock exchange. ‘Beneficial Owner’ means the beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996.
‘Big Four Chartered Accountants’	‘Big Four Chartered Accountants’ mean KPMG, Ernst & Young, Pricewaterhouse Coopers and Deloitte Touche Tohmatsu, and their local Indian affiliates.
‘Board’ or ‘Board of Directors’	‘Board’ or ‘Board of Directors’ mean(s) the board of Directors of the Company as constituted from time to time.
‘Business Day’	‘Business Day’ means any day other than a Saturday, Sunday or public holiday, on which banks are generally open for business in Mumbai and Bilbao, as the case may be.
‘BSE’	‘BSE’ means The BSE Limited
‘Call Exercise Date’	‘Call Exercise Date’ shall have the meaning assigned to it in Article 83(6)(b).
‘Call Notice’	‘Call Notice’ shall have the meaning assigned to it in Article 83(6)(b).
‘Call Option’	‘Call Option’ shall have the meaning assigned to it in Article 83(6)(a).
‘Call Price’	‘Call Price’ shall have the meaning assigned to it in Article 83(6)(c).
‘Call Shares’	‘Call Shares’ shall have the meaning assigned to it in Article 83(6)(a).
‘Capital’	‘Capital’ means the share capital for the time being raised or authorised to be raised for the purposes of the Company and includes savings and funds belonging to others which can be used as capital of any other company or business in the context of the business of the Company.
‘Chairman’	‘Chairman’ shall have the meaning assigned to it in Article 144(5).
‘CIE’	‘CIE’ means CIE Automotive S.A., a company (“Sociedad Anónima”) incorporated under the laws of Spain having its registered office at Iparraguirren ^o 34, 2 ^o derecha, 48011 Bilbao (Spain) and listed on the Madrid and Bilbao stock exchanges.
‘CIE Group’	‘CIE Group’ means CIE and Persons Controlled by CIE.
‘CNMV’	‘CNMV’ means the Spanish Comisión Nacional del Mercado de Valores.

'Control' means (i) in relation to a body corporate, the right to exercise, or control the exercise, whether directly or indirectly, acting alone or together with another Person, of more than 50% (fifty percent) of the total voting rights at a general meeting of that body corporate, or the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the policy decisions of that body corporate, including the composition of any board of directors (or equivalent body) of that body corporate, or (ii) in relation to any Person which is not a body corporate, the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the policy decisions of that Person; and the terms "Controls", "Controlled by" and "under common Control with" shall be construed accordingly.

'Control'

'Debenture' includes Debenture stock.

'Debenture'

'Deed of Adherence' means the deed of adherence in the form agreed between the Parties.

'Deed of Adherence'

'Depositories Act' means the Depositories Act, 1996 or any statutory modification or re-enactment thereof for the time being in force.

'Depositories Act'

'Depository' means a Depository as defined under clause (e) of sub-section (1) of section 2 of the Depositories Act.

'Depository'

Director means a director of the Company for the time being.

'Director'

'€' or Euro means an unit of currency that is used by the member countries of the European Union which have joined the European monetary union.

'€' or 'Euro'

'Effective Date' means the date on which the Integrated Scheme becomes effective in accordance with its terms and applicable law.

'Effective Date'

'Encumbrance' means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other Persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same.

'Encumbrance'

'Extraordinary General Meeting' means an Extraordinary General Meeting of the members duly called and constituted and any adjourned holding thereof.

'Extraordinary General Meeting'

‘Gender’	‘Words’ importing the masculine gender also include the feminine gender.
‘Government Authority’	‘Government Authority’ means (i) a national government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above, however constituted; and (iii) a government-owned/government-controlled association or organization in the Republic of India.
‘INR’ or ‘Indian Rupees’	‘INR’ or ‘Indian Rupees’ mean(s) the lawful currency of India.
‘In Writing’ and ‘Written’	‘In Writing’ and ‘Written’ include printing, lithography and other modes of representing or reproducing words in a visible form.
‘Integrated Scheme’	The ‘Integrated Scheme’ means the scheme of arrangement under Sections 391-394 of the Act providing for the amalgamation of Mahindra Hinoday Industries Limited, Mahindra Ugine Steel Company Limited, Mahindra Gears International Limited, Mahindra Investments (India) Private Limited and PIA 3 into the Company.
‘Legal Representative’	‘Legal Representative’ means a person who in law represents the estate of a deceased or incompetent member.
‘Listing Agreement’	‘Listing Agreement’ means (i) the listing agreement entered into between the Company and the BSE; and (ii) the listing agreement entered into between the Company and the NSE.
‘Lock-in-Period’	‘Lock-in-Period’ shall have the meaning assigned to it in Article 83(3)(a).
‘Losses’	‘Losses’ mean all direct actual damages, losses, costs (including reasonable legal and other professional costs) and liabilities whatsoever but excluding any remote or speculative damages.
‘M&M’	Mahindra & Mahindra Limited, a public limited company incorporated under the (Indian) Companies Act, 1913 and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400001, Maharashtra, India.
‘M&M Group’	‘M&M Group’ means M&M and Persons Controlled by M&M.
‘M&M Put Option Event’	‘M&M Put Option Event’ shall have the meaning assigned to it in Article 83(5).
‘Meeting’ or ‘General Meeting’	‘Meeting’ or ‘General Meeting’ means a meeting of the members.
‘Member’	‘Member’ means the duly registered holder from time to time of the stock or shares of the Company and includes the subscribers of the Memorandum of the Company.
‘Memorandum’	‘Memorandum’ means the memorandum of association of the Company.
‘Month’	‘Month’ means the calendar month.

<p>‘Net Financial Debt’ means all financial debt less cash, cash equivalents and liquid assets on a consolidated basis.</p>	<p>‘Net Financial Debt’</p>
<p>‘NSE’ means the National Stock Exchange of India Limited.</p>	<p>‘NSE’</p>
<p>‘Offered Shares’ shall have the meaning assigned to it in Article 83(4)(b).</p>	<p>‘Offered Shares’</p>
<p>‘Office’ means the registered office for the time being of the Company.</p>	<p>‘Office’</p>
<p>‘Ordinary Resolution’ shall have the meaning assigned to it under the Act.</p>	<p>‘Ordinary Resolution’</p>
<p>‘Original Director’ shall have the meaning assigned to it in Article 147.</p>	<p>‘Original Director’</p>
<p>‘Paid-up’ includes credited as paid up.</p>	<p>‘Paid-up’</p>
<p>Party shall mean each of PIA 2, M&M, the Company, CIE and Autometal individually and “Parties” shall refer to any two or more of them collectively.</p>	<p>‘Parties’</p>
<p>‘Person’ means any individual (including in his capacity as trustee), entity, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship or other enterprise (whether incorporated or not), Hindu undivided family, union, association of persons, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time.</p>	<p>‘Person’</p>
<p>Participaciones Internacionales Autometal DOS, S.L. a company (“Sociedad de responsabilidad limitada”) incorporated under the laws of Spain and having its registered office at Iparrauirre nº 34, 2º derecha, 48011 Bilbao (Spain).</p>	<p>‘PIA 2’</p>
<p>‘PIA 2 Call Option Event’ shall have the meaning assigned to it in Article 83(6).</p>	<p>‘PIA 2 Call Option Event’</p>
<p>‘PIA 3’ means Participaciones Internacionales Autometal TRES, S.L., a company (“Sociedad de responsabilidad limitada”) incorporated under the laws of Spain having its registered office at Iparrauirre nº 34, 2º derecha, 48011 Bilbao (Spain).</p>	<p>‘PIA 3’</p>
<p>‘Purchaser’ shall have the meaning assigned to it in Article 83(4)(b).</p>	<p>‘Purchaser’</p>
<p>‘Put Exercise Date’ shall have the meaning assigned to it in Article 83(5)(b).</p>	<p>‘Put Exercise Date’</p>

‘Put Notice’	‘Put Notice’ shall have the meaning assigned to it in Article 83(5)(b).
‘Put Option’	‘Put Option’ shall have the meaning assigned to it in Article 83(5)(a).
‘Put Price’	‘Put Price’ shall have the meaning assigned to it in Article 83(5)(c).
‘Put Shares’	‘Put Shares’ shall have the meaning assigned to it in Article 83(5)(a).
‘Register of Members’	‘Register of Members’ means the Register of Members to be kept pursuant to the Act.
‘The Registrar’	‘The Registrar’ shall have the meaning assigned to it under the Act.
‘Reserved Matters’	‘Reserved Matters’ shall have the meaning assigned to it in Article 141.
‘Sale Notice’	‘Sale Notice’ shall have the meaning assigned to it in Article 83(4)(b).
‘Seal’	‘Seal’ means the common seal for the time being of the Company.
‘Secretary’	‘Secretary’ means any individual appointed by the board to perform the duties of a Secretary and includes a temporary or assistant secretary.
‘Shares’	Shares means equity shares of the Company of face value of INR 10 (Rupees Ten only) each.
‘Shareholders’	‘Shareholders’ mean collectively PIA 2 and M&M; and shareholder means any one of them.
‘Singular number’	Words importing the singular number include, where the context admits or requires, the plural number and <i>vice-versa</i> .
‘Special Resolution’	‘Special Resolution’ shall have the meaning assigned to it under the Act.
‘Strength’	‘Strength’ shall have the meaning assigned to it in Article 144(1).
‘Subsidiary’	‘Subsidiaries’ mean subsidiaries of the Company as per the Act.
‘Tag-Along Period’	‘Tag-Along Period’ shall have the meaning assigned to it in Article 83(4)(b).
‘Tag Along Rights’	‘Tag Along Rights’ shall have the meaning assigned to it in Article 83(4)(a).
‘Tag Along Shares’	‘Tag Along Shares’ shall have the meaning assigned to it in Article 83(4)(b).

'Takeover Regulations' mean the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended, supplemented or re-enacted, from time to time).

'Takeover Regulations'

'Third Party Deed of Adherence' means the third party deed of adherence in the form agreed between the Parties.

'Third Party Deed of Adherence'

'Transfer' means to transfer, sell, assign, by operation of Law or in any way subject to any Encumbrance or dispose of, whether or not voluntarily.

'Transfer'

'Year' means the calendar year and 'Financial Year' shall have the meaning assigned thereto by Section 2(17) of the Act. Save as aforesaid any words for expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

'Year' and 'Financial Year'

The marginal notes used in these Articles shall not affect the construction thereof.

CAPITAL AND INCREASE & REDUCTION OF CAPITAL

3. #The Authorised Share Capital of the Company is Rs. 4,869,426,365 (Rupees four billion eight hundred sixty nine million four hundred twenty six thousand three hundred sixty five only) divided into 486,942,621 (Four hundred and eighty six million nine hundred forty two thousand six hundred twenty one only) Equity Shares of Rs. 10 (Rupees ten only) each aggregating Rs. 4,869,426,210 (Rupees four billion eight hundred sixty nine million four hundred twenty six thousand two Hundred ten only) and 5 (Five) 4% (Four percent) Non Cumulative Redeemable Non Convertible Preference Shares of Rs. 31 (Rupees thirty one only) each aggregating Rs. 155 (Rupees one hundred fifty five only), with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force."

Capital

Amended by Special Resolution passed by the Shareholders of the Company at the Extra-Ordinary General Meeting held on 13th October, 2016

- Power also to company in General Meeting to issue Shares**

4. Subject to the provisions of the Act and these Articles the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the company) shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such times as it may from time to time think fit and proper and, with the consent of the general meeting, give to any person the option to call for or be allotted any class of shares of the Company either at par or at a premium or, subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit.
- Increase in Capital**

5. In addition to and without derogating from the powers for that purpose conferred on the Board under Article 4, the company in general meeting may determine that any share (whether forming part of the original capital or of any increased capital of the company) shall be offered to such persons (whether members or not) in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of the Section 79 of the Act) at a discount, as such general meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted any class of shares of the company either at a premium or at par, or (subject to compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such general meeting or the company in general meeting may make any other provisions, whatsoever for the issue, allotment or disposal of any shares.
- Further issue of capital**

6. The company in general meeting may from time to time increase its share capital by the creation of further shares, such increases to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act and these Articles, the further shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the general meeting resolving upon the creation thereof shall direct, and if no direction be given as Board shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the company, and with a right of voting at general meetings of the Company.

7. Subject to these Articles, where at any time after the expiry of two years from the formation of the company or at any time after expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares.

- (a) such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;
- (b) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time, not being less than thirty days from the date of the offer, within which the offer if not accepted, will be deemed to have been declined;
- (c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the Notice referred to in sub-clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him;
- (d) after the expiry of the time specified in the notice aforesaid, or on the receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company. Notwithstanding anything contained in clause (a) of this article but subject to Article 7A, the further shares aforesaid may be offered in any manner whatsoever and to any person or persons, whether or not such person or persons include persons who, at the date of the offer, are holders of the equity shares of the company, if such offer is authorised by the special resolution of the company in general meeting or where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company;
- (e) Nothing in clause (c) of Article (7) hereof shall be deemed;
 - (i) To extend the time within which the offer should be accepted; or
 - (ii) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(f) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

- (i) To convert such debentures or loans into equity shares of the Company; or
- (ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the rules, if any, made by the Government in this behalf; and
- (b) In the case of debentures or loans other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

7A. Subject to Applicable Law and notwithstanding anything to the contrary contained in these Articles, if the Company proposes to issue additional Shares ("**Additional Shares**"), each of M&M and PIA 2 shall have the right to assign its right to subscribe to the Additional Shares in favour of its Affiliates provided that prior to any such Affiliate subscribing to, or acquiring or holding such Shares, the Affiliate shall have executed a Deed of Adherence and a copy of such Deed of Adherence shall be furnished to the Company and PIA 2 or M&M, as the case may be, on the next Business Day following the execution of such Deed of Adherence.

**Redeemable
Preference Shares**

8. Subject to the provisions of the Act, the company shall have the power to issue preference shares, which are or, at the option of the Company, are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

**Provisions
applicable in case
of Redeemable
Preference
shares**

9. On the issue of redeemable preference shares under provisions of Article 8 hereof, the following provisions shall take effect:

- (a) No such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption;
- (b) No such shares shall be redeemed unless they are fully paid;
- (c) The premium, if any payable on redemption shall be provided for out of the profits of the company or out of the Company's Securities Premium Account, before the shares are redeemed, and

- (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares to be redeemed, and the provisions of the Act relating to the reduction of the share capital of a Company shall, except as provided under Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

- 10.** Subject to the provisions of the Act, the Company shall have the power to issue cumulative convertible preference shares to which the following provisions shall apply:
- Cumulative Convertible Preference shares**

- (a) The dividend payable on the said shares shall be payable on a preferential basis and shall be at such rate as may be prescribed or permitted under the applicable rules and regulations prevailing at the relevant time.
- (b) The dividend shall be cumulative and arrears shall be payable to the shareholders registered with the company on the date fixed for determining to whom the dividend then declared is paid.
- (c) All such shares shall be converted into equity shares any time between the expiry of three years and the expiry of five years from the date of allotment of the shares as may be decided by the Board subject to any applicable regulations or sanctions that may be in force at the time. Upon conversion into equity shares the right to receive arrears of dividend, if any, on the preference shares upto the date of conversion shall devolve on the holder of the equity shares registered with the company on the date prescribed in the declaration of the said dividend.
- (d) Such conversion shall be deemed to be redemption of the preference shares out of the proceeds of a fresh issue of shares.

- 11.** Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares, shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls, and instalment, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.
- New Capital same as original Capital**

- 12.** (1) The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in accordance with Article 13 and in accordance with Section 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.
- Restrictions on Purchase by Company of its own shares**

- (2) Except to the extent permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purchase of, or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.
- (3) Nothing in this Article shall affect the right of the Company to redeem any redeemable preference shares issued under these Articles or under Section 80 or other relevant provisions (if any) of the Act.

Reduction of Capital

13. The Company may subject to the provisions of Sections 78, 80 and 100 to 105 and other applicable provisions (if any) of the Act, from time to time by special resolution reduce its capital and any capital redemption reserve account or any Securities Premium Account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

Consolidation & Division of Capital

14. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:-
- (a) Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
 - (b) Sub-divide its shares, or any of them into shares of smaller amount so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
 - (c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.

Sale of Fractional Shares

15. If and whenever as the result of issue of new shares or of any consolidation or sub-division of shares, any share becomes held by members in fractions, the Board shall, subject to the provisions of the Act, and the articles and to the directions of the Company in general meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may authorise any person to transfer and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected any irregularity or invalidity in the proceedings with reference to the sale.

16. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three-fourths in normal value of the issued shares of the class or is confirmed by a resolution passed by the votes of not less than three-fourths of the votes of the holders of shares of that class at a separate general meeting of the holders of shares of that class and all the provisions contained in these Articles as to general meetings shall mutatis mutandis apply to every such meeting. This article is not to derogate from any power the Company would have if this article was omitted. **Modification of rights**
17. 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 the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith. **Issue of shares on *pari passu* Basis**
18. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise, which are disproportionate to the rights attached to the holders of other shares (not being preference shares). **No Issue with Disproportionate Rights**
- SHARES AND CERTIFICATES**
19. The Company shall cause to be kept a register and index of members in accordance with Sections 150 and 151 of the Act, and the Companies (Issue of Share Certificates) Rules, 1960, and any modification thereof for every member who changes his name or address to the Company. **Register & Index of members**
20. The shares in the capital shall be numbered progressively according to their several denominations provided however that the provision relating to progressive numbering shall not apply to the shares of the Company which have been dematerialised, and except in the manner hereinbefore mentioned no share shall be sub-divided. **Shares to be numbered progressively**
21. Subject to the provisions of the Act, and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. **Directors may allot shares fully paid-up**

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| Application of Premium | 22. | <p>(1) Where the Company issues shares, debentures or other securities at a premium, whether for cash or otherwise, a sum equal to the aggregate shall be transferred to an account, to be called "Securities Premium Account" and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in this clause, apply as if the securities premium account were paid-up share capital of the Company.</p> <p>(2) The Securities Premium Account may, notwithstanding clause (1) hereof, be applied by the Company -</p> <ul style="list-style-type: none">(a) in paying up unissued shares of the Company to be Issued to members of the Company as fully paid bonus shares,(b) in writing off the preliminary expenses of the Company,(c) in writing off the expenses of or the commission paid or discount allowed on any issue of shares or Debentures of the Company, or(d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. |
| Installments on shares | 23. | <p>If by the terms of issue of any shares or otherwise the whole or any part of the amount or issue price thereof shall be payable by installment shall, when due, be paid to the Company by the person who for the time being and from time to time is the registered holder of the shares or by his legal representatives.</p> |
| Acceptance of shares | 24. | <p>Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an acceptance of shares within the meaning of these articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for by or allotted to a minor, insolvent or person of unsound mind.</p> |
| Deposits and calls, etc. to be a debt payable immediately | 25. | <p>The money (if any), which the Board of Directors shall on the allotment of any shares being made by it, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by it, shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.</p> |
| Liability of members | 26. | <p>Every member, or his heirs, executors or administrators, shall pay to the Company the proportion of the Capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts at such time or times and in such manner, as the Board of Directors shall, from time to time in accordance with the Company's regulations require or fix for the payment thereof.</p> |

27. The Company shall unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any such shares or debentures complete and have ready for delivery the certificate of all shares and debentures allotted or transferred, transmitted, sub-divided, consolidated or renewed. **Limitation of time for issue of certificates**
28. Every member or allottee of shares shall be entitled without payment, to receive one certificate or more certificates in marketable lots for all the shares of the same class registered in his name and specifying the name of the person in whose favour it is issued, the share certificate number and the distinctive number(s) of the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the company of its letter of allotment of its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares PROVIDED THAT if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out of pocket expenses incurred by Company in investigating the evidence. If any member shall require additional certificate he shall pay for each additional certificate (not being in the marketable lot) such sum not exceeding one rupee as the Board shall determine. The certificate of title to shares shall be issued under the Seal of the Company in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force.
- 28A. Nothing contained in the preceding Article 27 and Article 28 of the Articles of Association of the Company would apply to shares issued in dematerialised form in any medium as permitted by law including any form of electronic medium. **Share Certificates**
29. Any two or more joint allottees or holders of shares shall, for purpose of Article 28 be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. **Joint allottees or holders**
30. If any Certificate be worn out, defaced, mutilated or torn or if there be no further space on the reverse thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any Certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company may deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment **Issue of New Certificate in place of defaced, lost or destroyed Certificate**

of such fees (not exceeding Rs.2 for each Certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the reverse thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

**The First Named
of Joint Holders
deemed Sole
Holder**

31. If any share stands in the name of two or more persons, the person first named in the Register of Members, shall as regards receipt of dividends or bonus or service of notice and /or any other matter connected with the company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof, but the joint holders of a share shall be, severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to these articles.

31A. Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act and to offer its shares, debentures and other securities for subscription in a dematerialised form. The Company shall further be entitled to maintain a Register of Members and Register of debenture-holders with the details of Members and Debenture holders holding shares, debentures or other securities both in material and dematerialised form in any medium as permitted by law including any form of electronic medium.

**Company not
bound to
recognise any
interest in share
other than that of
registered holder**

32. (1) The Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these presents otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or the survivors of them.

(2) Save as herein otherwise provided the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognise any *benami* trust or other claim or claims or right to or interest in such shares on the part of any other person whether or not it shall have express or implied notice thereof.

32A. The Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the Beneficial Owner of shares in the records of the Depository, as the absolute owner thereof. The provisions of this Article shall mutatis mutandis apply to the debentures of the Company.

- 33.**
- (a) Notwithstanding anything herein contained, a person whose name is at any time entered in the Register of Members of the Company as the holder of a share in the Company, but who does not hold the beneficial interest in such a share, shall within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such share in the manner provided in Section 187C of the Act.
 - (b) A person who holds a beneficial interest in a share or a class of shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person of his interest, particulars of persons in whose name the shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in Section 187C of the Act.
 - (c) Whenever there is a change in the beneficial interest in a share referred to above, the beneficial owner shall, within the time prescribed from the date of such change, make a declaration to the Company, in such form and containing such particulars as may be prescribed, as provided in Section 187C of the Act.
 - (d) Notwithstanding anything contained in these Articles, where any declaration referred to above is made to the Company, the Company shall make a note of such declaration in the Register of Members and file, within the time prescribed from the date of receipt of the declaration, a return in the prescribed form with the Registrar with regard to such declaration.

Declaration by person not holding beneficial interest

34. Shares may be registered in the name of an incorporated company or other body corporate but not in the name of a minor or in the name of a person of unsound mind or in the name of any firm or partnership.

Who may hold shares

UNDERWRITING AND BROKERAGE

Commission may be paid 35. The Company may, subject to the provisions of Section 76 and other applicable provisions if any of the Act, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) or in consideration of his procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any share in, or debentures of the Company. The commission may be satisfied by payment of cash or allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other.

Brokerage may be paid 36. The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

INTEREST OUT OF CAPITAL

Interest out of capital 37. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions contained in Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

CALLS

Directors may make calls 38. The Board of Directors may, from time to time, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (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 every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

Calls on shares of the same class to be made on uniform Basis 39. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article, shares of the same nominal value on which different amount have been paid up, shall not be deemed to fall under the same class.

Notice of calls 40. Fifteen days' notice at least of every call payable otherwise than on allotment shall be given by the company specifying the time and place of payment, and to whom such call shall be paid. Provided that the Board may, at its discretion, revoke the call or postpone it.

Calls to date from Resolution 41. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed at the meeting of the Board of Directors, and may be made payable by the members on the register of members on a subsequent date to be fixed by the Board.

42. The Board of Directors may, from time to time, at its discretion, extend the time for the payment of any call, and may extend such time as to all or any of the members, who are residing at a distance or other cause, which the Board of Directors may deem fairly entitled to such extension; but no member shall be entitled to such extension save as a matter of grace and favour. **Directors may extend Time**
43. If any member fails to pay a call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time the article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member. **Call to carry interest after due date**
44. Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the register of members as the holder, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member or his representatives used in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. **Proof on Trial in Suit for Money due on Shares**
45. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rates, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced. **Payment in advance of call may carry interest**

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of this Article shall mutatis mutandis apply to the calls on debentures of the Company.

FORFEITURE, SURRENDER AND LIEN

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| If call or installment not paid Notice may be given | 46. | If any member fails to pay any call or installment of a call in respect of any share on or before the day appointed for the payment of the same, the Board may, at any time thereafter, during such time as the call or installment remains unpaid serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the company by reason of such non-payment. |
| Form of Notice | 47. | The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call instalment and such interest and expenses as aforesaid, is to be paid. The notice shall also state that in the event of non payment on or before the time and at the place appointed, the shares in respect of which the call was made or instalment was payable, will be liable to be forfeited. |
| In default of payment shares to be forfeited | 48. | If the requisitions 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 all the calls or instalments and interests and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture. |
| Notice after Forfeiture | 49. | 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 an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the share having been forfeited will not in any way invalidate the forfeiture. |
| Forfeited Shares to become property of the Company | 50. | Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit. |
| Power to Annul Forfeiture | 51. | The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as of right, upon such terms and conditions, as it may think fit. |
| Arrears to be paid notwithstanding Forfeiture | 52. | Any member whose shares shall have been forfeited shall, notwithstanding the forfeiture, be liable to pay, and shall forthwith pay to the company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen percent per annum as the Board may determine and the Board may endorse the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do. |

53. 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 are by these Articles expressly saved. **Effect of Forfeiture**
54. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debt, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns. **Proceeds how to be Applied**
55. A certificate in writing signed by two Directors and countersigned by the Managing Director or the Secretary of the Company that the call in respect of a share was made and notice thereof given, and the default in payment of the call was made and that the forfeiture was made by a resolution of the Board to that effect, shall be conclusive evidence of the fact stated therein as against all persons entitled to such share. **Certificate of Forfeiture**
56. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, instalments, interest and expenses owing to the Company prior to such purchases or allotment, nor shall he be entitled (unless by express agreement to the contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the publication of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or disposal of the share. **Title of Purchaser and Allottee**
57. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. **Partial payment not to Preclude Forfeiture**
58. The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of 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. **The provisions of these Articles as to Forfeiture to apply in case of non payment of any Sum**

- Board may accept Surrender of shares** 59. The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.
- Company's Lien on Shares** 60. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that Article 32 hereof is to have full effect and such lien shall extend to all dividends/interests and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.
- Enforcing Lien by Sale** 61. For the purpose of enforcing such lien, the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his heirs, executors, administrators or other legal representatives, as the case may be, and default shall have been made by him or them in payment, fulfilment or discharge of such debts, liabilities or engagements for seven days after the date of such notice.
- Application of Proceeds of Sale** 62. The net proceeds of any such sale shall be received by the company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any shall be paid to such member, his heirs, executors, administrators or other legal representatives as the case may be.
- Validity of Sales in exercise of Lien and after Forfeiture** 63. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register of Members in respect of such shares the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- Board of Directors may issue new certificates** 64. Where any shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares (unless the same shall voluntarily or on demand by the company, have been previously surrendered to the company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for

such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

65. Any money due from the Company to a member may, without the consent and notwithstanding the objection of such member, be applied by the Company in or towards the payment of any money due, from him to the Company for calls or otherwise. **Money due from the Company may be set off against Money due to the Company**

TRANSFER AND TRANSMISSION OF SHARES

66. The Company shall keep a book to be called the Register of Transfers and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share. **Register of Transfer**
67. Subject to the provisions of the Act, and these Articles, no transfer of shares in, or debentures of the Company shall be registered, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate relating to the shares or debentures or if no such certificate is in existence, along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in the respect thereof. Shares of different classes shall not be included in the same instrument of transfer. **Execution of Transfer, etc.**
- 67A. In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.
68. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and of the registration thereof. However the provisions relating to instrument of transfer shall not apply to the shares of the Company which have been dematerialised. **Form of Transfer**
- 68A. No fee shall be charged for registration of Transfer, Transmission, Probate, Succession Certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other document.
69. Subject to Section 111A of the Act and these Articles the shares of the Company shall be freely transferable. **Free transferability of Shares**
70. No shares shall in any circumstances be allotted or transferred to any minor, insolvent or person of unsound mind. **No Transfer to a person of Unsound Mind**
71. (1) An application for the registration of transfer of shares may be made either by the transferor or by the transferee **Transfer of shares**

- (2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (3) For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
- (4) If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which the instrument of transfer, or the intimation of transmission as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.
- (5) Nothing in these articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

Transfer to be left at office as Evidence of title given	72.	Every instrument of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.
When Transfer to be retained	73.	All instruments of transfer, which are registered shall be retained by the Company, but any instrument of transfer which the Board declines to register shall on demand be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than six years as it may determine.
Transfer Books when closed	74.	The Board may after giving not less than seven days previous notice by advertisement as required by Section 154 of the Act, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate, 45 (forty five) days in each year, but not exceeding 30 days at any one time.
Death of one or more joint holders of shares	75.	In the case of death of any one or more of the persons named in the Register of Members as joint shareholders of any share, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estates of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

76. Subject to Article 75, the heir, executor or administrator of a deceased shareholder shall be the only person recognised by the Company as having any title to his shares and the Company shall not be bound to recognise such heir, executor or administrator unless they shall have first obtained probate or letters of administration or succession certificate. **Title to shares of Deceased Holder**
77. Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board thinks sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him, and approved by the Board, registered as such holder provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share. **Transmission of shares**
78. The Board shall, subject to the provisions of Article 69 hereof, have the same right to refuse to register a person entitled by transmission to any share, or his nominee, as if he were the transferee named in any ordinary transfer presented for registration. **Board may refuse to Transmit**
79. Every transmission of shares shall be verified in such manner as the Board may require and, if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be so verified or requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity. **Board may require Evidence of Transmission**
80. A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer. **Transfer by legal representative**
81. The certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a *prima facie* title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures. **Certificate of Transfer**

The Company not liable for disregard of a Notice prohibiting Registration of a transfer

82. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares, notwithstanding that the company may have had notice of such equitable right, title or interest, or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company, and the Company shall not be bound or required to regard or attend or to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

Shareholders' Rights

83. (1) Notwithstanding anything to the contrary in these Articles, any Transfer or attempted Transfer of the Shares not specifically permitted by these Articles shall be void ab-initio, and the Members shall do every act, deed or thing to prevent such Transfer from being given effect to. The Company shall not recognize a Transfer that is in contravention of the provisions of these Articles.
- (2) Notwithstanding anything to the contrary contained in these Articles, either Shareholder shall be entitled to Transfer all or any part of its Shares to its Affiliate(s) subject to the following conditions:
- (a) the Affiliate shall execute a Deed of Adherence prior to such Transfer and a copy of such Deed of Adherence shall be furnished to the Company and the other Shareholder on the next Business Day following the execution of such Deed of Adherence;
 - (b) the transferring Shareholder, shall cause such Affiliate(s) to comply fully with the terms of these Articles and shall be fully responsible for any acts or omissions of such Affiliates that may be made in connection with these Articles, as if they were acts or omissions of its own; and
 - (c) the Affiliate shall, and the transferring Shareholder shall cause the Affiliate to, re-Transfer the Shares to the transferring Shareholder prior to the Affiliate ceasing to be an Affiliate of the transferring Shareholder.

The transferring Shareholder and the Affiliate shall jointly enjoy the rights provided to the transferring Shareholder under these Articles.

- (3) Subject to Article 83(d) but notwithstanding anything to the contrary contained in these Articles,

- (a) PIA 2 shall not and, if applicable, shall cause its Affiliates not to Transfer, directly or indirectly, any legal or beneficial interest in the Shares held by them to any third party until the expiry of 3 (three) years from date of adoption of these Articles of Association (“Lock-in Period”) provided that PIA 2 or its Affiliates, as the case may be, shall be collectively entitled to Transfer from the Effective Date, Shares constituting upto 5% (five percent) of the equity share capital of the Company. For the avoidance of doubt, PIA 2 and its Affiliates shall be free to Transfer all or part of their shareholding in the Company to any third party after the Lock-in Period subject to Article 83(4).
 - (b) M&M shall not and, if applicable, shall cause its Affiliates not to Transfer, directly or indirectly, any legal or beneficial interest in the Shares held by them to any third party until the expiry of the Lock-in Period provided that M&M or its Affiliates, as the case may be, shall be collectively entitled to Transfer from the Effective Date, Shares constituting upto 2% (two percent) of the equity share capital of the Company. For the avoidance of doubt, M&M and its Affiliates shall be free to Transfer all or part of their shareholding in the Company to any third party after the Lock-in Period.
 - (c) It is clarified that the obligations under sub-clauses (a), (b) and (d) of this sub-clause (3) of Article 83, as applicable, shall not apply to a Transfer covered under sub clauses (2), (5) and (6) of this Article 83.
 - (d) Notwithstanding the aforesaid but subject to Article 83 (8) and the minimum public shareholding requirements underlaw, the CIE Group and the M&M Group shall be permitted to Transfer their Shares to the extent required to enable the Company to meet the minimum public shareholding requirements for continued listing under Applicable Law through the adoption of any of the methods prescribed therein.
- (4) Notwithstanding anything to the contrary contained in these Articles:
- (a) If the CIE Group proposes to Transfer any Shares held by them to any third party such that its shareholding in the Company would fall below 45% (forty-five

percent) of the paid up equity share capital of the Company, then the M&M Group shall have the right but not the obligation to participate in such Transfer in accordance with this Article 83(4) ("**Tag Along Rights**").

- (b) Upon identifying a third party to acquire the Shares held by the CIE Group ("**Purchaser**"), the CIE Group shall communicate the same to the M&M Group by way of a written notice, setting out the following details in relation to the third party's offer:
- (i) price per Share;
 - (ii) number of Shares proposed to be Transferred ("**Offered Shares**");
 - (iii) identity and material particulars regarding the Purchaser; and
 - (iv) material terms and conditions for the proposed Transfer ("**Sale Notice**"). The M&M Group shall be entitled to exercise its Tag Along Rights, within 7 (seven) days from the receipt of the Sale Notice ("**Tag-Along Period**"), and offer to sell to the Purchaser (a) such number of Shares which are equivalent to the number of Shares being sold by the CIE Group (both the M&M Group and the CIE Group shall Transfer to a third party in equal proportion), if the shareholding of the CIE Group in the Company following such Transfer would fall below 45% (forty-five percent) but not below 40% (forty percent) of the paid up equity share capital of the Company and (b) all the Shares held by it, if the shareholding of the CIE Group in the Company following such Transfer would fall below 40% (forty percent) of the paid up equity share capital of the Company, by delivery of a written notice to the CIE Group ("**Acceptance Notice**"). The Shares that the M&M Group is entitled to transfer under this sub-clause (4) of Article 83 shall be hereinafter referred to as the "**Tag Along Shares**".
- (c) The Transfer of the Offered Shares by the CIE Group to the Purchaser shall be conditional upon the Purchaser acquiring the Tag Along Shares offered by the M&M Group in exercise of its Tag Along Rights on terms no less favourable than those offered by the Purchaser to the CIE Group and the M&M Group shall be paid the same price per Tag Along Share and the sale shall be effected on the same terms and conditions as are received by the CIE Group.

- (d) The Transfer of the Offered Shares by the CIE Group and any Tag Along Shares by the M&M Group pursuant to this sub-clause 83 (4) shall be completed within 45 (forty five) days of the delivery of the Sale Notice by the CIE Group to the M&M Group or such longer period as may be required to comply with Applicable Law and the laws of Brazil or Spain, as the case may be, (including in order to enable the Purchaser to discharge its obligations under the Takeover Regulations, as applicable), failing which the CIE Group shall not Transfer any Shares to the Purchaser and the process set out in this sub-clause 83 (4) shall again become applicable to the Transfer of any Shares by the CIE Group. In the event the CIE Group does not receive any response to the Sale Notice within the Tag Along Period, or M&M elects not to exercise its Tag-Along Rights and conveys the same to the CIE Group, then the CIE Group shall be entitled to Transfer the Offered Shares to any Person by entering into a binding agreement to Transfer the Offered Shares to such Person within 45 (forty five) days of the expiry of the Tag Along Period or such longer period as may be required to comply with Applicable Law, and the laws of Brazil or Spain, as the case may be, (including in order to enable the Purchaser to discharge its obligations under the Takeover Regulations, as applicable) on the same terms as set out in the Sale Notice, failing which the CIE Group shall not Transfer any Shares to the Purchaser and the process set out in this Article 83(4) shall again become applicable to the Transfer of any Shares by the CIE Group.
 - (e) Nothing in this Article 83(4) shall apply to any Transfer of Shares in terms of Article 83(2) or 83(3)(d).
- (5) Notwithstanding anything to the contrary contained in these Articles, in the event
- (i) pursuant to article 36 of the Royal Decree 1066/2007 of 27 July, on the rules applicable to takeover bids for securities, on public offers in Spain (“Real Decreto 1066/2007, de 27 de julio, sobre el regimen de las ofertas públicas de adquisición de valores”) a public offer over the shares of CIE has been deemed successful by the CNMV and this public offer had not been recommended by the board of directors of CIE or

- (ii) there is any change in direct/ indirect Control of PIA 2; (each an “**M&M Put Option Event**”), then:
 - (a) Within 30 (thirty) days of the M&M Put Option Event, the M&M Group shall have the right (but not the obligation) (“**Put Option**”) to require PIA 2 to buy all, but not less than all, the Shares held by it (“**Put Shares**”).
 - (b) The M&M Group shall exercise its Put Option by delivering a notice in writing (“**Put Notice**”) to PIA 2, specifying a date which shall not be less than 30 (thirty) days from the date of issue of the Put Notice (“**Put Exercise Date**”) on which the sale and purchase of the Put Shares shall take place.
 - (c) The price of the Put Shares shall, subject to Applicable Law, be the average closing price at which the Shares are traded on the BSE and NSE on the date of the M&M Put Option Event or fair market value, whichever is higher (“**Put Price**”). The fair market value shall be determined by a reputed independent valuer or Big Four Chartered Accountant jointly appointed by CIE and M&M who shall also take into account the current rights being enjoyed by M&M in determining the valuation. The cost of the valuer or the Big Four Chartered Accountant shall be borne equally by M&M and CIE.
 - (d) PIA 2 shall have the right to purchase the Put Shares, either by itself or through Person(s) nominated by it or a combination thereof.
 - (e) On the Put Exercise Date, the M&M Group shall, subject to the receipt of the Put Price, Transfer the Put Shares to PIA 2 and/or the Persons(s) nominated by it.
- (6) Notwithstanding anything to the contrary Contained in these Articles, in the event there is an unrecommended change of Control of M&M (“**PIA 2 Call Option Event**”), then:
 - (a) Within 30 (thirty) days of the PIA 2 Call Option Event, PIA 2 or its nominee shall have the right (but not the obligation) (“**Call Option**”) to buy all, but not less than all, the Shares held by the M&M Group (“**Call Shares**”).
 - (b) PIA 2 shall exercise its Call Option by delivering a notice in writing (“**Call Notice**”) to M&M, specifying a date which shall not be less than 30 (thirty) days from the date of issue of the Call Notice (“**Call Exercise Date**”) on which the sale and purchase of the Call Shares shall take place.

- (c) The price of the Call Shares shall, subject to Applicable Law, be the average closing price at which the Shares are traded on the BSE and NSE on the date of the PIA 2 Call Option Event or fair market value, whichever is higher (“**Call Price**”). The fair market value shall be determined by a reputed independent valuer or Big Four Chartered Accountant jointly appointed by CIE and M&M who shall also take into account the current rights being enjoyed by M&M in determining the valuation. The cost of the valuer or Big Four Chartered Accountant shall be borne equally by M&M and CIE.
- (d) PIA 2 shall have the right to purchase the Call Shares, either by itself or through Person(s) nominated by it or a combination thereof.
- (e) On the Call Exercise Date, the M&M Group shall, subject to the receipt of the Call Price, Transfer the Call Shares to PIA 2 and/or the Persons nominated by it.
- (f) For the purpose of this sub-clause (6), an unrecommended change of Control of M&M shall mean a change of Control of M&M where the open offer resulting from such change is not recommended to M&M’s shareholders by the committee of independent directors under Regulation 26(7) of the Takeover Regulations.
- (7) Subject to the provisions of these Articles, in the event the CIE Group proposes to Transfer any Shares held by them to any third party where such transfer would result in a change of Control of the Company and the M&M Group decides not to exercise the Tag Along Rights in accordance with Article 83(4), then the Articles shall continue to be binding and CIE shall ensure that the third party acquiring Shares from the CIE Group shall execute a Third Party Deed of Adherence prior to such direct or indirect Transfer and agree to be bound by the terms of these Articles.
- (8) Until the Effective Date, each of PIA 2 and M&M shall not, directly or indirectly, acquire any Shares in the Company other than as contemplated in writing between them.

84. Intentionally left blank

Obligations of CIE & Autometal

85. Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than four persons.

Board may refuse Transfer to more than four names

- Joint holders** **86.** Where more than one person is registered as the holder of any share the person first named in the Register of Members as one of the joint holders of a share shall be deemed the sole holder for matters connected with the Company subject to the following and other provisions contained in these Articles.
- Joint and Several liabilities for all payment in respect of shares**
- Title of Survivors**
- Effectual Receipts**
- Delivery of Certificate and giving on Notice to First Named Holder**
- Vote of Joint Holders**
- (a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
 - (b) On the death of any such joint holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit & nothing herein contained shall be taken to release the estate of a deceased joint holder any liability on shares held by him jointly with any other person.
 - (c) Any one of several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.
 - (d) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in these Articles) from the Company and any document served on or sent to such person shall be deemed service on all the joint holders.
 - (e) Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares thereof but the others of the joint holders shall be entitled to be present at the meeting; provided always personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall, for the purpose of this Article be deemed joint holders.

CONVERSION OF SHARES INTO STOCK

87. The Board may, with the sanction of a general meeting, convert any paid up share into stock and when any shares shall have been converted into stock the several holders of such stock may henceforth, transfer their respective interest therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up shares in the capital of the company may be transferred or as near thereto as circumstances will admit, but the Board may from time to time, as it thinks fit, fix the minimum amount of stock transferable and direct that fractions of rupee shall not be dealt with power nevertheless at their discretion to waive such rules in any particular case.

Shares may be converted into stock

88. The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages, except participation in the profits of the Company or in the assets of the Company winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in share, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid all the provisions herein contained shall, so far as circumstance will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

Rights of Stock-holders

COPIES OF MEMORANDUM & ARTICLES TO BE SENT TO MEMBERS

89. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupee one for each copy.

Copies of Memorandum and Articles to be sent

BORROWING POWERS

90. Subject to the provisions of the Sections 292 and 293 of the Act, the Board may, from time to time at its discretion accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money's without the consent of the Company in General Meeting.

Power to borrow

- Payment or repayment of moneys borrowed** **91.** Subject to the provisions of the previous Article the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by a circular resolution) including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, and debenture-stock and other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.
- Terms of issue of debentures** **92.** Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting recorded by a Special Resolution.
- Register of Mortgages, etc. to be kept** **93.** The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of the mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirement of Sections 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fail to be complied with by the Board.
- Register and index of Debenture holders** **94.** The Company shall, if at any time issues debentures, keep a Register and Index of debenture holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or country outside India a branch Register of Debenture holders resident in that State or country.

SHARE WARRANTS

- Power to issue share warrants** **95.** The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115, and accordingly the Board may in its discretion, with respect to any share which is fully paid up on an application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the persons signing the application, and on receiving the certificate (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
- Deposit of share warrant** **96.** (a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and, so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.

- (b) Not more than one person shall be recognised as depositor of the share warrant.
 - (c) The Company shall, on two days' written notice return the deposited share warrant to the depositor
- 97.** (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notices from the Company. **Privileges and disabilities of the holders of share warrants**
- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members, as the holder of the share included in the warrant, and he shall be a member of the Company.
- 98.** The Board may from time to time make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction. **Issue of new share warrant or coupon**

MEETING OF MEMBERS

- 99.** (a) Subject to Section 166 of the Act, the Company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall lapse between the date of one annual general meeting of the Company and that of the next, subject however to the right of the Registrar under the Act to extend the time within which any annual general meeting may be held. **Annual General Meeting**
- (b) Every annual general meeting shall be called for at a time during business hours on a day that is not a public holiday and shall be held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated.
- 100.** The Company shall in accordance with Section 159 of the Act, within sixty days from the day on which the annual general meeting is held, prepare and file with the Registrar a return in the form set out in Schedule V to the Act or as near as thereto as the circumstances shall admit and containing the particulars specified in the said Schedule V. **Annual Return**
- 101.** The General Meeting referred to in Article 99 shall be called and styled as an annual general meeting and all meetings other than the annual general meeting shall be called extraordinary general meetings. **Distinction between Annual General Meeting and Extraordinary General Meeting**

**Calling of
Extraordinary
general meetings**

102. The Board may, whenever it thinks fit, call an extraordinary general meeting of the Company and it shall, on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an extraordinary general meeting of the Company, and in the case of such requisition the provisions of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided.

**Length of notice
for calling
meeting**

103. (1) A general meeting of the Company may be called by giving not less than twenty-one days notice in writing.

(2) A general meeting may be called after giving shorter notice than that specified in sub clause (a) hereof if consent is accorded thereto

(i) in the case of an annual general meeting, by all the members entitled to vote thereat, and

(ii) in the case of any other meeting by members of the Company holding not less than ninety five per cent of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

Provided that where any members of the Company are entitled to vote on some resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purpose of this sub-clause in respect of the former resolution or resolutions and not in respect of the latter.

**Contents and
manner of service
of notice and
persons on whom
it is to be served**

104. (1) Every notice of the meeting of the Company shall specify the place and the day and hour of the meeting, and shall contain a statement of the business to be transacted thereat.

(2) Notice of every meeting of the Company shall be given:

(i) to every member of the Company, in any manner authorised by sub--sections (1) to (4) of Section 53 of the Act;

(ii) to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent, or by any like description, at the address, if any, in India supplied or the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and

(iii) to the auditor or auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of any member or members of the Company.

(iv) PROVIDED that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of Sec. 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(3) The accidental omission to give notice to or non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

(4) Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.

105. All business to be transacted at an annual general meeting with the exception of business relating to

Special Business

- (i) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors,
- (ii) the declaration of the dividend,
- (iii) the appointment of directors in place of those retiring,
- (iv) the appointment of and the fixing of the remuneration of auditors, and all, business to be transacted at any other meetings of the Company shall be deemed 'Special'.

105A Notwithstanding anything contrary contained in the Articles, the company may provide Video Conference facility and/or other permissible electronic or virtual facilities for communication to enable the shareholders of the company to participate in general meetings of the company. Such participation by the shareholders at general meetings of the company through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the company for the time being in force.

Participation through Electronic Mode

106. Where any items of business to be transacted at any meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting an explanatory statement setting out all material facts concerning each item of business including in particular the nature and extent of the interest if any, therein of every Director, Managing Director and specifying where any item of business consists of the Special Business according to any document by the meeting, the time and place where the document can be inspected.

Explanatory statement to be annexed to notice

PROVIDED that where any such item of special business at the meeting of the Company relates too affects any other company, the extent of shareholding interest in that other company of every Director or the company shall also be set out in the statement, if the extent of such shareholding interest is not less than 20 percent of the paid up share capital of that other company.

Meeting not competent to discuss or transact any business not mentioned in notice

107. No general meeting, annual or extraordinary shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

108. The General Meetings shall be convened and held in accordance with Applicable Law and these Articles.

Quorum

109. The quorum at the time of commencement of any General Meeting and passing of any resolution at the General Meeting shall be determined in accordance with the Act provided that a General Meeting at which a Reserved Matter is to be considered shall require the presence of a representative appointed by M&M and a representative appointed by PIA 2 to form a valid quorum. Notwithstanding anything to the contrary in these Articles, each of M&M and PIA 2 shall be entitled, at its sole discretion, to waive the requirement of the presence of its representative at any General Meeting. From the Effective Date, the presence of a representative of M&M shall not be required to constitute quorum at any General Meeting only if the shareholding of the M&M Group falls below 10% (ten percent) of the paid up equity share capital of the Company.

110. If within half an hour of the time appointed for the General Meeting, a quorum is not present, the General Meeting shall be adjourned to the same day in the next week at the same time and place or such other place and time as the Board may determine. If at the adjourned General Meeting the quorum is not present, then, subject to Applicable Law and notwithstanding anything contained in these Articles, the shareholders present shall constitute the quorum and pass all resolutions including a resolution in relation to a Reserved Matter.

Presence of Quorum

111. No business shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business in the manner prescribed above in Article 109 and Article 110.

Resolution passed at adjourned meeting

112. A resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Power to adjourn General Meeting

113. (a) Subject to the provisions of Article 110, the Chairman of the General Meeting may adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place

- (b) When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an Original Meeting.
- (c) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

- 114.** The Chairman of the Board shall be the Chairman of the General Meetings. The Chairman shall not have a casting or second vote at any General Meeting.
- Chairman of General Meeting**
- If there be no such Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or being present declines to take the chair, the Directors present may choose one of their member to be Chairman and in default of their taking the chair in doing so the members present shall choose one of the Directors to be chairman and if no Director present be willing to take the chair shall, on a show of hands elect one of their member to be chairman of the meeting. If a poll is demanded on the election of the chairman it shall be taken forthwith in accordance with the provisions of the Act and these articles, and the chairman elected on a show of hands shall exercise all the powers of the chairman under the said provisions. If some other person is elected chairman as a result of the poll, he shall be the chairman for the rest of the meeting.
- 115.** No business shall be discussed at any general meeting except the election of a Chairman while the chair is vacant.
- Business confined to election of Chairman while Chair Vacant**
- 116.** No resolution submitted to a meeting, unless proposed by the chairman of the meeting, shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.
- Resolution must be proposed and seconded**
- 117.** At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded as provided in these Articles.
- How motion to be decided at meetings**
- 118.** A declaration by the Chairman that on a show of hands, a resolution has or has not been carried, or has been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
- Declaration of Chairman to be conclusive**
- 119.** (1) Before or on the declaration of the result of the voting on any resolution on a show of hands, poll may be ordered to be taken by the chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made

in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than 1/10th (one-tenth) of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up.

- (2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll 120. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not exceeding 48 (forty eight) hours from the time when the demand was made, as the chairman of the meeting may direct.

Scrutineers at Poll 121. Where a poll is to be taken, the chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. The chairman shall have power, at any time, before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause. Of the two scrutineers so to be appointed, one shall always be a member (not being an officer or employee of the company) present at the meeting provided such a member is available and is willing to be appointed.

Business may proceed notwithstanding demand for Poll 122. The demand for a poll except on the question of the election of chairman or of an adjournment, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Manner of taking poll and result thereof 123. (a) Subject to the provisions of the Act, the chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

VOTE OF MEMBERS

Members calls in arrears not to vote 124. No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has, and has exercised, any right of lien.

Number of votes to which member entitled 125. Every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

- 126.** Without prejudice to Article 70 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 legal guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian, or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.
- 127.** If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at the meeting, then one of the said persons so present whose name stands higher on the Register shall alone be entitled to be present at the meeting. Several executors or administrators of deceased member in whose name shares stand shall for the purpose of this Article be deemed joint holders thereof.
- 128.** Votes may be given either personally or by an attorney or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise it if it were an individual member.
- 129.** Any person entitled under these Articles to transfer any share of a deceased or an insolvent member, may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that, at least forty-eight hours before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall satisfy the directors as may require, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
- 130.** Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation, under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.
- 131.** An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof, or it may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
- How members non competent and minors may vote**
- Votes of Joint members**
- Voting in persons or by proxy**
- Votes in respect of shares of deceased and insolvent member**
- Appointment of proxy**
- Proxy either for specified meetings or for a period**

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| Proxy to vote only on poll | 132. | A member present by proxy shall be entitled to vote only on a poll. |
| Deposit of instruments of appointment of proxy | 133. | 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 not later than forty-eight 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. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution. |
| Form of Proxy | 134. | Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit be in any of the forms set out in Schedule IX of the Act. |
| Validity of votes given by proxy notwithstanding death of Member | 135. | 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 revocation of the proxy or of the authority under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used. |
| Time for objection of votes | 136. | No objection shall be made to the validity of any vote except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever. |
| Chairman of the meeting to be the judge of validity of any vote | 137. | The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. |
| Minutes of General Meeting and inspection thereof by Members | 138. | <p>The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <ol style="list-style-type: none">(1) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or, in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.(2) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.(3) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting. |

- (4) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting (1) is or could reasonably be regarded as defamatory of any person or (2) is irrelevant or immaterial to the proceedings, or (3) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (5) Any such minutes shall be evidence of the proceedings recorded therein.
- (6) The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.

139. * Until otherwise determined by a General Meeting of the Company and subject to the provision of the Act, the number of directors shall not be less than 3 (three) or more than 16 (sixteen).

140. Subject to the provisions of Article 141, each resolution of the Members shall be passed in accordance with the Act. Each Share shall have 1 (one) vote and there shall be no disproportionate voting rights.

Voting

141. Subject to Applicable Law and notwithstanding anything to the contrary contained in these Articles other than Articles 110, 141 A and 148(4) below, the passing of resolutions on following matters ("**Reserved Matter**") shall require the affirmative vote of: (a) a nominee Director of M&M and a nominee Director of PIA 2, at the Board meeting, in each case provided such Directors have been appointed to the Board by M&M and PIA 2 (as applicable), and (b) a representative appointed by M&M and a representative appointed by PIA 2, at a General Meeting (whether by way of a postal ballot or otherwise), unless M&M or, as the case may be, PIA 2 waived its affirmative vote right in respect of all or any of the resolutions proposed to be passed by a written notice addressed to the Company:

Reserved Matters

- (a) any commencement of any business line different from the business as may be agreed in writing between the Parties, by the Company;
- (b) any action for dissolution and/or winding-up and/or insolvency of the Company;
- (c) merger or demerger, spin-off, consolidation or any other similar form of corporate restructuring of the Company;

* *Subject to approval of Central Government*

- (d) make any divestments, sale, acquisition of business (whether by way of the purchase of shares, assets or properties), or the creation of any subsidiary, joint venture or partnership where an aggregate value involved/consideration being in excess of € 50,000,000 (Euro fifty million only) in any given financial year, except if the proceeds of such divestment or sale are reinvested within 6 (six) months in equivalent assets necessary for the ordinary course of business;
- (e) amendments to the Memorandum and Articles;
- (f) any change to the share capital of the Company whether by way of
 - (i) further issuance of securities (including convertible instruments) provided that post the Effective Date, this shall be permitted on a rights basis,
 - (ii) buy-back, or
 - (iii) reduction of capital, or
 - (iv) variation of the rights of any classes of its Shares, or
 - (v) otherwise; except for the issuance of Shares under any existing employees stock option schemes;
- (g) appointment of a statutory auditor different from one of the Big Four Chartered Accountants;
- (h) any change in the Strength of the Board by any corporate action;
- (i) enter into, amend or terminate any related party transaction which are not carried out at arm's length or are not in the ordinary course of business;
- (j) agree to pay corporate charges to the CIE Group for shared services which are in excess of 1% (one percent) of the combined turnover of PIA3 and its subsidiaries in a financial year computed on a stand alone basis. It is clarified that the actual cost of shared services provided by the M&M Group or the CIE Group (other than to the aforementioned companies) shall not be taken into account whilst determining this cap; and
- (k) undertaking any action which results in the aggregate Net Financial Debt of PIA 3 and its subsidiaries exceeding €60,000,000 (Euro sixty million only), provided that these companies (taken together) shall be entitled to borrow upto €10,000,000 (Euro ten million only) in a financial year only for capital expenditure which is in the ordinary course of business and is consistent with past practices.

141A. From the Effective Date, a resolution on any Reserved Matter shall not require the affirmative vote of a nominee Director of M&M or a representative of M&M, as the case may be, only if the shareholding of the M&M Group falls below 10% (ten percent) of the paid up equity share capital of the Company.

142. [Intentionally left blank]

143. [Intentionally left blank]

DIRECTORS

144. (1) Notwithstanding anything to the contrary contained in these Articles, the Board shall consist of 14 (fourteen) Directors (“**Strength**”).
- (2) Notwithstanding anything to the contrary contained in these Articles but subject to the provisions of Article 144(4), the Board shall be constituted as under
- a. 4 (four) Directors nominated by PIA 2;
 - b. 3 (three) Directors nominated by M&M; and
 - c. 7 (seven) independent Directors (out of which PIA 2 shall have the right to propose 4 (four) Directors and M&M shall have the right to propose 3 (three) Directors).
- (3) None of the Directors shall be required to own qualification shares in order to serve as a Director on the Board.
- (4) Notwithstanding anything to the contrary contained in these Articles, from the Effective Date, M&M shall have the right to nominate 3 (three) Directors on the Board under Article 144, so long as the M&M Group holds at least 10% (ten percent) of the paid up equity share capital of the Company. If the shareholding of the M&M Group falls below 10% (ten percent) of the paid up equity share capital of the Company but is 5% (five percent) or more of the paid up equity share capital of the Company, M&M shall have a right to appoint 1 (one) Director on the Board. Further, so long as M&M continues to license the ‘Mahindra’ trademark and the Company continues to use the trademark in accordance with an agreement in writing, M&M shall have the right to nominate 1 (one) Director on the Board, even if M&M Group’s shareholding falls below 5% (five percent) of the paid up equity share capital of the Company.
- (5) Notwithstanding anything to the contrary contained in these Articles, M&M shall have the right to appoint its nominee Director as the Chairman of the Board (“**Chairman**”), unless waived (Conditional or otherwise) by M&M in writing[#], who shall preside as the Chairman of all Board meetings. If the Chairman nominated by M&M, if any[#], is not present at a Board meeting, then one of the other Directors nominated by M&M (if any) shall act as the chairman of such Board meeting. The Chairman shall not have a casting or second vote at any meeting of the Board or any committee thereof.

Composition of the Board

[#] Amended by Special Resolution passed by the members through postal ballot on 27th March, 2015.

- (6) The Shareholders shall take all steps in their power to ensure that the boards of directors of each of the Subsidiaries shall be constituted as under (assuming that the board of directors consists of 3 (three) directors). If the size of the board of directors is increased to 5 (five) or above, M&M shall have at least 2 (two) nominees on the board of directors or proportionate representation in the manner spelt out below, whichever is higher: 2 (two) directors nominated by PIA 2; and 1 (one) director nominated by M&M.
- (7) PIA 2 shall have the right to appoint its nominee director as the chairman of the board of the directors of each Subsidiary, who shall preside as the chairman of all the board meetings. If the chairman nominated by PIA 2 is not present at a board meeting, then the other director nominated by PIA 2 shall act as the chairman of such board meeting. The chairman shall not have a casting or second vote at any meeting of the board or any committee thereof.
- (8) M&M's right to appoint a director to the boards of directors of the Subsidiaries shall apply only so long as M&M has the right to appoint a director to the Board under this Article 144.

**Removal /
Resignation of
Directors**

145. The Shareholders may require the removal of their respective nominee Directors at any time and shall be entitled to nominate another person as a Director in place of the Director so removed, and each Shareholder shall exercise its voting rights in such manner so as to cause the removal of the existing Director and appointment of another Director as soon as practicable. In the event of the resignation, retirement or vacation of office by a Director nominated by a Shareholder, such Shareholder shall be entitled to nominate another representative as a Director in place of such Director and the other Shareholder shall exercise its rights in such manner so as to cause the appointment of the nominee of the Shareholder as aforesaid.

**Power of
Directors to
appoint additional
Directors and to
fill casual
vacancies**

146. Subject to the provisions of Sections 260, 263, 264 and 284(6) of the Act and subject to these Articles the Directors shall have power at any time and from time to time to appoint any other person as a Director either to fill a casual vacancy or as an addition to the Board, provided that such additional Directors shall hold office only to the date of the next annual general meeting of the Company: Provided further that the number of the Directors and additional Directors together shall not exceed the maximum strength fixed for the Board by these Articles.

**Alternate
Directors**

147. The Board may appoint an alternate Director ("**Alternate Director**") who is recommended for such appointment by a Director ("**Original Director**") to act for him during his absence for a period of not less than 3 (three) months from the State in which the Board meetings are ordinarily held. Subject to Applicable Law, the Shareholders shall cause their respective nominee Directors to vote for the appointment of such Alternate Director promptly after any such recommendation is made. An Alternate Director appointed under this Article 147 shall not hold office for a period longer than that permissible to the Original Director in whose place

he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is terminated before he so returns to that State, any provisions in the Act for the automatic reappointment of any retiring Director, in default of another appointment, shall apply to the Original Director and not to the Alternate Director.

148. Meetings of the Board

Notwithstanding anything to the contrary contained in these Articles, each Shareholder shall exercise all rights and powers available to it to ensure that the Company and the Directors adopt the rules set out in this Article 148 in relation to the Board meetings.

- (1) The meetings of the Board shall be held at Mumbai or at such other place as may be mutually agreed between the Directors and in the manner as may be agreed by the Directors (including through video conference or teleconference as may be permitted under Applicable Law).
- (2)[#] The Notice calling Board Meeting shall be given in accordance with the provisions of Companies Act, 2013 and Rules made hereunder.
- (3) The quorum for a meeting of the Board shall be determined in accordance with the Act provided that (i) so long as M&M has nominated at least 1 (one) Director who has been appointed and (ii) so long as PIA 2 has nominated at least 1 (one) Director who has been appointed, all meetings of the Board shall require the presence of at least 1 (one) Director nominated by M&M and at least 1 (one) Director nominated by PIA 2 to constitute a valid quorum. Notwithstanding anything to the contrary in these Articles, each of M&M and PIA 2 shall be entitled, at its sole discretion, to waive the requirement of the presence of at least 1 (one) of its nominee Directors to constitute a quorum at any meeting of the Board. From the Effective Date, the presence of 1 (one) Director nominated by M&M shall not be required to constitute quorum at any meeting of the Board only if the shareholding of the M&M Group falls below 10% (ten percent) of the paid up equity share capital of the Company.

[#] *Amended by Special Resolution passed by the members through postal ballot on 27th March, 2015.*

- (4) If within half an hour of the time appointed for the meeting, a quorum is not present, the meeting of the Board shall be adjourned to the same day, 1 (one) week later at the same time and place or such other place and time as is mutually agreed by the Directors. If at the adjourned meeting the

quorum is not present, then, subject to Applicable Law, the Directors present at the adjourned meeting shall constitute the quorum and pass all resolutions including a resolution in relation to a Reserved Matter.

- (5) The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present and voting, except for the Reserved Matters which shall require the affirmative vote of at least
 - (i) 1 (one) Director nominated by M&M so long as M&M Group holds at least 10% (ten percent) of the paid up share capital of the Company; and
 - (ii) 1 (one) Director nominated by PIA 2; in each case so long as M&M or PIA 2, as the case may be, have nominated Directors on the Board.
- (6)[#] The Minutes of the Board Meeting and Committees thereof shall be prepared, circulated and signed in accordance with the provisions of Companies Act, 2013 and Rules made thereunder.
- (7) Subject to the relevant provisions of the Act, the Company shall pay each Director all out of pocket expenses incurred including travel, boarding and lodging in order to attend Board and committee meetings of the Board.
- (8) Until the Effective Date, the provisions of this Article 148 shall *mutatis mutandis* apply to the Subsidiaries. From the Effective Date, the provisions of this Article 148 shall *mutatis mutandis* apply to the Subsidiaries as long as the M&M Group holds at least 10% (ten percent) of the paid up equity share capital of the Company and M&M has nominated at least 1 (one) director who has been appointed on the board of directors of such Subsidiary.

Amended by Special Resolution passed by the members through postal ballot on 27th March, 2015.

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| Auditors | 149. Subject to Applicable Law, the statutory auditor of the Company shall be any of the Big Four Chartered Accountants. |
| Nominee Directors | 150. Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or financial institution, or any person or persons, (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company, the Board shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have if and to the extent provided by the terms of such agreement or contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board, for such period and upon such conditions as may be mentioned in the agreement or contract and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Board may also agree that any such Director or Directors may be removed |

from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill any vacancy which may occur as a result of any Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by other Directors.

- 151.** If it is provided by the trust deed securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

Debenture Directors

- 152.** (1) Subject to the provisions of the Act, a Managing Director who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (2) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Director, may be paid remuneration
- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or
- (ii) by way of commission if the Company by a special resolution authorises such payments.
- (3) The fee payable to a Director (including a Managing or Wholetime Director, if any) for attending a meeting of the Board or Committee thereof shall be the maximum sitting fee as may be prescribed by the Central Government under Section 310 of the Act as applied to the Company at any given time.
- (4) If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Remuneration of Directors

- Travelling expenses incurred by a Director, not a bonafide resident or by Director going out on Company's business**
153. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or Committee thereof are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified, and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Company.
- Payment of pension, etc. to Director who holds salaried office, etc. with the Company**
154. The Board on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any office or place of profit, salaried or otherwise, with the Company, or to his widow or dependants and may make contributions to any fund such as a provident fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.
- Directors may act notwithstanding vacancy**
155. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Directors or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company but for no other purpose.
- Disclosure of interest of Directors**
156. (1) Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in any contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors.
- (2) (a) In the case of a proposed contract or arrangement the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if a Director was not, at the date of that meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.
- (b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- (3) (a) For the purpose of clauses (1) and (2) hereof, a general notice given to the Board by a Director to the effect that he is a director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the

notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

- (b) Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time, by a fresh notice in the last month of the financial year in which it would otherwise have expired.
- (c) No such general notice and no renewal thereof shall be effective unless either it is given at a meeting of the Board, or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the board after it is given.
- (d) Nothing in this Article shall apply to any contract or arrangement entered into between two companies when any of the Directors of the Company or two of them together holds or hold not more than two percent of the paid up share capital in the other company.

157. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, not shall his presence count for the purpose of forming quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however, that a Director may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

Interested Director not to participate or vote on Board's proceedings

158. A Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such firm or a private company of which the Director is a member or Director shall not enter into any contract with the Company, except to the extent and subject to the provisions of the Act.

Board's sanction to be required for certain contracts in which particular Director is interested

RETIREMENT AND ROTATION OF DIRECTOR

159. (1) At every annual general meeting, one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

Retirement of Directors by rotation

- (2) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
- (3) At the annual general meeting at which a Director retires as aforesaid the Company may fill up the vacancy by appointing the retiring Director who shall be eligible for reappointment or some other person thereto.
- (4) If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that is a public holiday, till the next succeeding day which is not a public holiday at same time and place. If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless:
 - (i) at the meeting or at the previous meeting, a resolution for the reappointment of such Director has been put to the vote and lost;
 - (ii) the retiring Director has by a notice in writing addressed to the company or its Board of Directors, expressed his unwillingness to be reappointed;
 - (iii) he is not qualified or is disqualified for appointment;
 - (iv) a resolution, whether special or ordinary, is required for his appointment in virtue of any of the provisions of the Act; or
 - (v) The provision to sub-section (2) of Section 263 of the Act is applicable to the case.

**Appointment of
Director to be
voted individually**

- 160.** (1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.
- (2) A resolution moved in contravention of clause (1) shall be void whether or not objection was taken at the time of it being so moved, provided that where a resolution so moved is passed, no provision for the automatic reappointment shall apply.
 - (3) For the purpose of this clause a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.

161. (1) A person who is not a retiring Director shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any general meeting if he or some member intending to propose him has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a director.
- (2) The Company shall inform its members of the candidature of a person for the office of Director or the intention of member to propose such person as a candidate for that office, by serving individual notice on the members not less than seven days before the meeting. Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the Marathi language.
- (3) Every person proposed as a candidate for the office of Director shall sign and file with the Company his consent to act as a director if appointed and every person other than a Director re-appointed after retirement by rotation shall not act as a Director of the Company unless he has within 30 days of his appointment, signed and filed with the Registrar, his consent in writing to act as such Director.

162. A Director may at any time give notice in writing of his intention to resign by addressing it to the Board of Directors of the Company and delivering such notice to the Secretary or leaving the same at the Registered Office of the Company, and thereupon his office shall be vacated, in accordance with the provisions of the Act.

Resignation of Director

163. The Company shall keep at its Registered Office a Register of Directors, Managing Director, Manager and Secretary containing the particulars as required by Section 303 of the Act, and shall send the Registrar a return in prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its directors, Managing Directors, Manager and Secretary or any of the particulars contained in the register as required by Section 303 of the Act.

Register of Directors and notification of change to Registrar

REMOVAL OF DIRECTORS

Removal of Directors

164. (1) The Company may by ordinary resolution remove a Director not being a Nominee Director appointed under Article 150 or a Debenture Director appointed under Article 151 and not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office.
- (2) Special notice shall be required of any resolution to remove a director under this article or to appoint somebody instead of a director so removed at the meeting at which he is removed.
- (3) On receipt of notice of a resolution to remove a Director under this article, the Company shall forthwith send a copy thereof to the Director concerned and the Director shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representations are received by it too late for it to do so -
- (a) in any notice of the resolution given to the members of the Company, state the fact of the representations having been made, and
- (b) send a copy of the representations to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representation by the Company) and if a copy of the representation is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the meeting, provided that copies of the representations need not be sent out and the representations need not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, a court of competent jurisdiction is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.
- (5) A vacancy created by the removal of a Director under this Article may if he had been appointed by the Company in general meeting or by the Board under Article 146 hereof, be filled by the appointment of another Director in his stead by the meeting at which he is removed provided special notice of the intended appointment has been given. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

- (6) If the vacancy is not filled up under clause (5) hereof it may be filled as a casual vacancy in accordance with the provisions, so far as they may be applicable to Article 146 hereof and all the provisions of that Article, shall apply accordingly, provided that the Director who is removed from office under this Article shall not be reappointed as a Director by the Board of Directors.
- (7) Nothing in this Article shall be taken -
- (a) as depriving a person removed thereunder of any compensation or damages payable to him in respect of any appointment terminating with that as Director, or
 - (b) as derogating from any power to remove a Director which may exist apart from this Article.

PROCEEDINGS OF DIRECTORS

- 165.** (a) The Board of Directors may meet together for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it may think fit.
- (b) A meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.
- (c) The Chairman, if any, of the Board of Directors may at any time and the Managing Director if any, or the Secretary on the requisition of a Director shall summon a meeting of the Board.
- (d) Subject to Article 148(2) above, notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India, and at his usual address in India to every other director.

- 166A.** Notwithstanding anything contrary contained in the Articles of Association, the Director(s) may participate in Meetings of the Board and Committees thereof, through Video Conference facility and/or other permissible electronic or virtual facilities for communication. Such participation by the Director(s) at Meetings of the Board and Committees thereof, through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

Participation through Electronic mode

- 166.** Subject to Articles 148(3), (4) and (5) above,
- (a) And further subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one third of the total strength of the Board (any fraction contained in the one third being rounded off as one) or two directors whichever is higher;

Quorum

provided that where at any meeting the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining directors, that is to say the number of the directors who are not interested and are present at the meeting, being not less than two shall be quorum during such time.

Provided further that a Director participating in a Meeting through use of Video Conference or any other permissible electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in the Articles of Association.

- (b) For the purpose of Clause (a)-
- (i) 'Total strength' means the total strength of the Board of Directors of the company as determined in pursuance of the Act, after deducting therefrom the number of directors, if any, whose places may be vacant at the time, and
 - (ii) 'Interested Directors' means any Director whose presence cannot by reason of Article 158 hereof or any other provision in the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of discussion or vote on any matter.

Decision on questions **167.** Subject to these Articles and the provisions of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.

Board may appoint Chairman **168.** Subject to these Articles, the Board elect a Chairman of their meeting determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting, the Chairman is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their member to be Chairman of the meeting.

Power of Board meeting **169.** Subject to these Articles, a meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles are for the time being vested in or exercisable by the Board generally.

170. Subject to the restrictions contained in section 292 of the Act, the Board may delegate any of its power to a committee of the Board consisting of such number or number of its body or any other person as it thinks fit and it may from time to time revoke and discharge any such committee. Any such committee of the Board so formed, shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment, but not otherwise shall have the like force and effect as if done by the Board.

- 171.** The meeting and proceedings of any such Committee of the Board consisting of two or more persons shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulation; made by the Board under the last preceding Article.
- 172.** All acts done by any meeting of the Board or by a committee of the Board or by any person acting as a director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such directors or committee or person acting as aforesaid or that they or any of them were or was disqualified or had vacated office, or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these articles, be as valid as if every such person had been duly appointed and was qualified to be a director and had not vacated office or his appointment had not been terminated. Provided that nothing in this article shall be deemed to give validity to acts done by a director after his appointment has been shown to the company to be invalid or to have terminated.
- 173.** (1) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation unless the resolution 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 address in India, or by a majority of such of them as are entitled to vote on the resolution.
- (2) A resolution passed by circular without a meeting of the Board or of a Committee of the Board shall subject to the provision of sub-clause (1) hereof be as valid and effectual as a resolution duly passed at a meeting of the Board or of the Committee duly called and held.
- 174.** (1) Subject to the provisions of the Act and these Articles, the Board of Directors of the Company 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.
- Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other act or by the Memorandum of Association of the Company or these articles or otherwise, to be exercised or done by the Company in general meeting.

Meeting of the committee how to be Governed

Acts of Board or Committee valid notwithstanding defective appointment

General powers of the board

Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in this behalf in the Act or in any other act or in the Memorandum of Association or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in general meeting.

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

175. Subject to the provisions of these Articles, the Board shall not, except with the consent of the Company in general meeting:

- (a) sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings.
- (b) Invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a) of any premises or properties used for any such undertakings and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
- (c) 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) 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 provided further that the powers specified in Section 292 of the Act, shall subject to these articles be exercised only at meeting of the Board unless the same be delegated to the extent stated or
- (d) Contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will in any financial year, exceed fifty thousand rupees or five percent if its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater.

**Execution of
Indemnity**

176. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

177. Without prejudice to the general powers conferred by Article 167 and the other powers conferred by these Articles and Section 291 of the Act, so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act and these Articles, it is hereby expressly declared that the Board shall have the following powers:

Certain powers of the Board

- (1) To pay the costs, charges and expenses incurred, preliminary, incidental to the promotion, formation, establishment and registration of the Company.
- (2) Subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, right or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as it may think fit, and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.
- (3) At its discretion and subject to the provisions of the Act, to pay for any property, right or privileges, acquired by or for services rendered to the company, either wholly or partially in cash or in shares, bonds, debentures, debenture stock or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the company including its uncalled capital or not so charged. (4) To secure the fulfilment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as it may think fit.
- (5) To appoint and at its discretion, remove or suspend, such manager, secretaries, officers, clerks, agents and employees, for permanent, temporary or special services as it may from time to time think fit, and to determine their powers and duties and fix their salaries, employments or remuneration and to require security in such instances and of such amounts as it may think fit.
- (6) To accept from any member, subject to the provisions of the Act a surrender of his share or any part thereof on such terms and conditions as shall be agreed.

- (7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purpose, and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- (8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demand by or against the Company, and to refer any difference to arbitration and observe the terms of any awards made therein either according to Indian law or according to foreign law and either in India or abroad and observe and perform or challenge an award made therein.
- (9) To refer any claims or demands by or against the Company or any differences to arbitration, and observe and perform the awards, except by an order of a court to the contrary.
- (10) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- (12) To open and operate Bank Accounts to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, hundis, bills of exchange, negotiable instruments, leases and related documents, dividend warrants, releases, contracts and documents and to discount, endorse or co-accept bills and to give the necessary authority for such purpose.
- (13) Subject to the provisions of the Act and these articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit, and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub delegate) and upon such terms as may be thought fit.
- (14) Subject to the provisions of the Act and these articles to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit, and from time to time to vary or realise such investments. Save as provided in the Act all investments shall be made and held in the Company's own name.
- (15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as it thinks fit and any such

mortgages may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

- (16) To distribute by way of bonus amongst the staff of the Company, a share or shares in the profits of the Company, and to give to any director, officer or other person employed by the Company a Commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.
- (17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependants or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, fund of trusts and by providing or subscribing or contributing towards places of instruction or recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.
- (18) To subscribe, incur, expenditure or otherwise to assist or to guarantee money to charitable benevolent, religious, scientific, national, political or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation or of public and general utility or otherwise.
- (19) Before recommending any dividend, to set aside out of the profits of the Company such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing, improving extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors may in its absolute discretion think conducive to the interest of the Company, and subject to the Act to invest the several sums so set aside or so much thereof as is required to be invested upon such investments (other than shares of this Company) as it may think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board of Directors, in its absolute discretion thinks conducive to the interests of the Company,

notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the general reserve fund into such special funds as the Board may decide to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund and with full power to employees for the assets constituting all or any of the above funds including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds interest at such rates as the Board of Directors may think proper.

- (20) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Section 76 and 208 of the Act and of the provisions contained in these presents.
- (21) From time to time to make, vary and repeal bye-laws for regulation of the business of the Company, its officers and servants.
- (22) To redeem redeemable preference shares.
- (23) Subject to the provisions of the Act and these Articles for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds, and things in the name and on behalf of the Company as it may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- (24) To undertake any branch or kind of business which the Company is expressly or by implication authorised to undertake at such time or times as it shall think fit; and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

MANAGING DIRECTORS

Board may appoint Managing Directors

- 178.** Subject to the provisions of the Act, the Board of Directors may from time to time appoint one or more of their member to be Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for a term not exceeding five years at a time for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

179. # Subject to the provisions of the Act and these Articles a Managing Director shall not while he continues to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the Directors liable to retire by rotation or the number of Directors to retire but he shall, subject to the terms of any contract between him and Company, be subject to the same provisions as to resignation and removal as the other directors of the Company.

Amended by Special Resolution passed by the members through postal ballot on 27th March, 2015.

180. The remuneration of a Managing Director shall from time to time be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in the Act.

**Remuneration of
Managing Directors**

181. Subject to the provisions of the Act and to the restrictions contained in these articles the Board may, from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient and it may confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Board in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

**Directors may confer
power on Managing
Director**

182. Subject to provisions contained in the Act, the Company shall make payment to a Managing Director by way of compensation for loss of office or as compensation for retirement from such office or in connection with such loss or retirement from office except in cases specified in Section 318(3) and such payment shall be subject to the limit specified in Section 318(4) of the Act.

**Compensation for loss
of office**

183. The Managing Director or Managing Directors shall not exercise the powers to:-

**Managing Director not
to exercise certain
powers**

- (a) make calls on shareholders in respect of money unpaid on the shares of the Company, and
- (b) issue debentures, and
- (c) except as may be delegated by the Board under Section 292 of the Act, invest the funds of the company, or make loans or borrow moneys.

184. The Company shall not appoint or employ or continue the employment of any person as its Managing Director or Whole-time Director who:

**Certain persons not to
be appointed Managing
Directors**

- (a) is an undischarged insolvent or has at any time been adjudged an insolvent;
- (b) suspends or has at any time suspended, payment to his creditors or makes or has at any time made composition with them; or
- (c) is or has at any time been, convicted by a court of an offence involving moral turpitude.

THE SECRETARY

- 185.** The Board may from time to time appoint and, at its discretion, remove any individual (hereinafter called “**the Secretary**”) to perform any functions, which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of the Act.

THE SEAL

**The Seal its
Custody and use**

- 186.** The Board of Directors shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to 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 and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. Every deed or other instrument to which the Seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted attorney of the Company be signed at least by one Director and countersigned by some other person appointed by the Board for the purpose, provided nevertheless that certificates of shares or debentures may be sealed and signed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960.

Foreign Seal

- 187.** The Company may, subject to the provisions of the Act, have for use in any territory, district or place not situated in the union of India an official seal which shall be a facsimile of the Common Seal of the Company with the addition on its face of the name of the territory, district or place where it is to be used.

**Provision
applicable to
Foreign Seal**

- 188.** The following provisions shall apply on the Company having a foreign seal under the preceding article:-
- (i) The Company shall, by a document under its Common seal, authorise any person appointed for the purpose in that territory, district or place to affix the official seal to any deed or other documents to which the Company is a party in that territory, district or place.
 - (ii) The authority of any agent under the preceding clause shall, as between the Company and any person dealing with the agent continue during the period if any mentioned in the document conferring the authority, or if no period is therein mentioned, until notice of the revocation or determination of the agent’s authority has been given to the person dealing with him.
 - (iii) The person affixing any such official seal, shall certify on the deed or document to which such a seal is affixed, the date on which and the place at which, such seal is affixed.
 - (iv) A deed or other document to which an official seal is duly affixed shall bind the Company as if it had been sealed with the common seal of the Company.

MINUTES

- 189.** The Company shall cause minutes of all proceedings of every General Meeting and of all proceedings of every meeting of its Board of Directors or of every committee of the Board to be kept in the manner required by the Act and the provisions of the Act will apply accordingly. **Minutes**

DIVIDENDS

- 190.** The profits of the Company which it shall from time to time determine, subject to the provisions of the Act, to divide in respect of any year or other period, shall be applied first in paying the fixed preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid up on the equity shares. **Division of profits**
- 191.** No amount paid or credited as paid on a share in advance of calls shall be treated as capital paid up on the share. **Amount paid in advance of calls not to be treated as paid up capital**
- 192.** All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such shall rank for dividend accordingly. **Apportionment of Dividends**
- 193.** The Company in general meeting may subject to the provisions of the Act declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment. **Declaration of Dividends**
- 194.** No larger dividend shall be declared than is recommended by the Board but the Company in general meeting may declare a smaller dividend. **Restrictions on amount of dividend**
- 195.** (1) No dividend shall be payable except out of the profits of the Company arrived at as laid down in the Act. **Dividend out of profits only**
- (2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive. **What is to be deemed net profits**
- 196.** The Board of Directors may from time to time pay to the members such interim dividends as in its judgement the position of the Company justifies. **Interim Dividends**
- 197.** The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. **Debts may be deducted**
- 198.** 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 may be made payable at the same time as the dividend and the dividend may if so arranged between the Company and the member be set off against the call. **Dividend and call together**

- Dividend how paid** **199.** Any general meeting declaring a dividend or bonus may resolve that such dividend be paid wholly or in part by the distribution of specific assets, partly of fully paid up shares, or debentures or debenture stock of the Company or in any one or more of such ways and Board shall give effect to the same and the Board may settle any difficulty in doing so in such manner as it may deem expedient.
- Effect of Transfer** **200.** A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
- Retention in certain cases** **201.** The Board may retain the dividends payable upon shares in respect of which any person is under article 77 entitled to become a member or which any person under that article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.
- No member to receive interest or dividend whilst indebted to the Company and Company's right to Reimbursement thereout** **202.** No member shall be entitled to receive payment of any interest on dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums of money so due, from him to the Company.
- Payment by post** **203.** Any dividend payable in cash may be paid by cheque or warrant sent through the post directed to the registered address of the shareholder entitled to the payment of the dividend or in case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding, or to such persons and to such address as the shareholder or the joint shareholders may in writing direct and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.
- Dividend to be paid within thirty days** **204.** The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within thirty days from the date of the declaration of the dividend unless:
- (a) the dividend could not be paid by reason of the operation of any law, or
 - (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions cannot be complied with, or
 - (c) there is a dispute, regarding the right to receive the dividend, or
 - (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder, or
 - (e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

205A. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank as the unpaid dividend account of the Company and transfer to the said account, the total amount of dividend which remains unpaid or unclaimed. Any money transferred to the said unpaid dividend account of the Company, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund established under Section 205 C(1) of the Act by the Central Government. No unclaimed or unpaid dividend shall be forfeited by the Board.

205. (a) Any general meeting may, upon the recommendation of the Board, resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of the profit and loss account or of the Reserve Fund or any capital redemption reserve fund or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the **Securities Premium Account** be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards :-

- (1) paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or
- (2) paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or
- (3) paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.

Capitalisation of Reserves

- (b) (1) Any moneys, investments or other assets representing premium received on the issue of shares standing to the credit of **Securities Premium Account**; and
- (2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may by resolution of the company be applied only in paying up in full for any shares remaining unissued to be issued to such members of the company as the general meeting may resolve upto an amount equal to the nominal amount of the shares so issued.
- (c) Any 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 not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.
- (d) For the purpose of giving effect to any such resolution the Board may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as it thinks expedient & in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debenture, bond or other obligations in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment, and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.
- (e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act, and these articles and to the directions of the Company in general meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof.
For the purpose of giving effect to any such sale the Board may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or by invalidity in the proceedings with reference to the sale.
- (f) Where required a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capitalised fund and such appointment shall be effective.

ACCOUNTS

- 206.** The Company shall cause to be kept proper books of account with respect to: **Books of Account to be kept**
- (a) all sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;
 - (b) all sales and purchases of goods by the Company; and
 - (c) the assets and liabilities of the Company.
- 207.** (1) Books of account shall be kept at the Registered Office of the Company or at such other place in India as the Board of Directors may decide and when the Board of Directors so decide, the Company shall within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.
- (2) The books of account shall be open to inspection by any Director during business hours.
- 208.** The Board of Directors shall from time to time determine whether and to what extent and at what times and place and under what conditions or regulations the documents of the Company or any of them shall be open to the inspection of Members, and 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 statute or authorised by the Board of Directors or by a resolution of the Company in general meeting. **Inspection by members**
- 209.** The Board of Directors shall from time to time, in accordance with the Act, cause to be prepared and to be placed before the Company in general meeting, such balance sheets, profit and loss accounts and reports as are required by the Act. **Statement of Accounts to be furnished to General Meeting**
- 210.** (1) A copy of every such profit and loss account and balance sheet so audited (including the auditor's report and every other document required by the Act to be annexed or attached to the balance sheet) shall at least twenty one days before the meeting at which the same are to be laid before the members be sent to the members of the Company, to holders of debentures issued by the Company (not being debentures which ex-facie are payable to be bearer thereof), to the trustees for the holders of such debentures and to all persons entitled to receive notice of general meetings of the Company. **Balance Sheet and Profit & Loss Account to each member**
- (2) If and as long as the Company's shares are listed on a recognised stock exchange and subject to the provisions of Section 219 of the Act, it shall be sufficient compliance with clause (1) of this article if the copies of documents referred to in clause (1) are made available for inspection at the Company's registered office during working hours for a period of twenty-one days before the date of the meeting and a

statement containing the salient features of such documents in the prescribed form or copies may deem fit, is or are sent, not less than twenty-one days before the date of the meeting, to every member of the Company and to every trustee for the holders of any debentures issued by the Company.

Accounts to be Audited

211. (1) Once at least in every year the accounts of the Company shall be examined by one or more auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and profit and loss account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.
- (2) The appointment, remuneration, rights, powers and duties of the Company's auditors shall be regulated in accordance with the provisions of the Act.
- (3) Every balance sheet and profit and loss account of the Company when audited and adopted by the Company at an annual general meeting, shall be conclusive, provided that such balance sheet and profit and loss account and Board's Report may be amended at any time with the consent of the Company accorded by a special resolution.

DOCUMENTS AND NOTICES

Service of the documents on members by Company

212. (1) A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him to his registered address or if he has no registered address, in India, the address if any within India supplied by him to the Company for the giving of notices to him.
- (2) Where a document or notice is sent by post.
- (a) Service thereof shall be deemed to be effected by properly addressing preparing and posting a letter containing the document or the notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
- (b) Such service shall be deemed to have been effected –
- (i) in the case of notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted; and
- (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- (2A) Notwithstanding anything contrary contained in the Articles of Association, a document may be served by the Company on any Member by any electronic mode of communication and in such manner as is/may be permitted by any law. Where a document is served by any such electronic mode, the service thereof shall be deemed to be effected in the manner as is/may be provided by any law.

- (3) A document or notice may be served by the Company on the joint-holders of a share by serving it on the joint holder named first in the Register of Members in respect of the share.
- (4) A document or notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of the member by sending it 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 address has been so supplied by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.
- (5) A certificate in writing assigned by the manager, Secretary or other officer or employee of the Company that the notice was properly addressed, prepaid and posted shall be conclusive evidence thereof.
- (6) The signature to any document or notice to be given by the Company may be written or printed or lithographed.

213. A document may be served on the Company or an officer thereof by sending it to Company or the officer at the registered office of the company by post under a certificate of posting or by registered post or by leaving it at its registered office.

Service of documents on company

214. Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, Managing Director, the Manager, the Secretary, or other authorised officer of the Company and need not be under the Common Seal of the Company.

Authentication of documents and proceedings

INDEMNITY

215. Subject to the provisions of the Act, every Director, Manager or an other officer or any person (whether officer of the Company or not) employed by the Company, or as an auditor, or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to pay out of the funds of the Company all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such director, Manager, officer or servant 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 of the Act in which relief is granted by the court.

Company may indemnify

Liability of officers

216. Subject to the provisions of Section 201 of the Act no director, manager or other officer of the Company shall be liable for the acts, receipts, neglect of any other director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board 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 or insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by error of judgement, omission, default 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.

WINDING UP

Distribution of Assets

217. If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in proportion to the capital paid up on which ought to have been paid up at the commencement of the winding up on the shares held by them respectively and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively. But this article is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Secrecy clause

218. No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of any information regarding any detail of the Company's trading or any matter which is or may be in nature of a trade secret, mystery of trade, secret process or any business of the Company and which in the opinion of the Board it would be inexpedient in the interest of the Company to disclose.

Secrecy undertaking

219. Every Director, Manager, Auditor, Treasurer, Trustee, member of a committee, agent, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe 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 of the shareholder if any or by a Court of Law, or by the person to whom the matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

220. Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all contents of these presents.

Members knowledge implied

221. Any and all claims, disputes or differences between a party belonging to the CIE Group on the one hand and a party belonging to the M&M Group on the other arising out of or in connection with these Articles or performance of obligations under these Articles shall, so far as possible, be settled amicably through consultation between a nominee designated by CIE on the one hand and a nominee designated by M&M on the other. CIE or M&M shall initiate the consultation process by notifying the claim, dispute or difference, naming the person designated by CIE or M&M, as the case may be, and calling upon the other party to name the person designated by M&M or CIE, as the case may be, for the purpose of the consultation.

Dispute Resolution

- (1) If within 30 (thirty) days of notification under this Article 221, the consultation does not happen or after 30 (thirty) days of consultation, the representatives have failed to reach an amicable settlement, on any or all claims, disputes or differences arising out of or in connection with these Articles or performance of obligations under these Articles, such claim, disputes or differences shall be submitted to arbitration at the request of either of the CIE and M&M upon written notice to that effect to the other.
- (2) Such arbitration shall be in accordance with the Singapore International Arbitration Centre Rules (which rules are deemed to be incorporated in these Articles by reference herein) and shall be held at Singapore. All proceedings of such arbitration shall be in the English language.
- (3) The arbitration panel shall consist of 3 (three) arbitrators, with 1 (one) arbitrator appointed by CIE, the second arbitrator appointed by M&M, and the third arbitrator appointed by the 2 (two) arbitrators so appointed and who shall serve as the chairman of the arbitration tribunal.
- (4) Arbitration awards rendered shall be final and binding. The losing Member(s), as determined by arbitrators, shall pay all reasonable out-of-pocket expenses (including, without limitation, reasonable attorneys' fees) incurred by the prevailing party(s), as determined by the arbitrators, in connection with any dispute unless the arbitrators direct otherwise.
- (5) Nothing shall preclude either member from seeking interim equitable or injunctive relief, or both, from any court having jurisdiction to grant the same.

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

	Name, Address, description and Occupation of each subscriber	Number of Equity shares taken by each subscriber	Signature of the Subscriber	Name, Address and Signature of witnesses
1.	Mr. Harish Chandra Mahindra Son of Mr. Jagdish Chandra Mahindra Saahil, 14, Altamount Road, Mumbai 400 026. Industrialist	10 (Ten only)	Sd/-	Witness to all: Sd/- Mr. Birbali D. Prasad Verma R. No. 14, Bhatte Wadi, Opp. Baghdevi Nagar, Sant Namdeo Marg, Dahisar (East), Mumbai 400 068.
2.	Mr. Keshub Mahindra Son of Mr. Kailash Chandra Mahindra St. Helen's Court, Peddar Road, Mumbai 400 026. Industrialist	10 (Ten only)	Sd/-	
3.	Mr. Anand G. Mahindra Son of Mr. Harish Chandra Mahindra Gulistan, 1st Floor, 65, Nepean Sea Road, Mumbai 400 026. Business Executive	10 (Ten only)	Sd/-	
4.	Mr. Ram Nawal Singh Son of Mr. Kalu Singh 23, Ashutosh, 38-A, Nepean Sea Road, Mumbai 400 026. Service	10 (Ten only)	Sd/-	
5.	Mr. Thekera Varkey Lukose Son of Mr. Chacko 53, Venus Apartments, Cuffe Parade, Colaba, Mumbai 400 005. Service	10 (Ten only)	Sd/-	
6.	Mr. Anil Madhav Palekar Son of Mr. Madhav Palekar C-8, Oliver Mansion, 334/A, Mogul Lane, Mahim, Mumbai 400 016. Service	10 (Ten only)	Sd/-	
7.	Mr. Vikas Kashinath Gupte Son of Mr. Kashinath Gupte 29/C, Sarvodaya Bhuvan, Gokhale Road (North), Dadar, Mumbai 400 028. Service	10 (Ten only)	Sd/-	
		70 (Seventy only)		

Dated the 2nd day of August, 1999.

**Special Resolution Passed at the Annual General Meeting of the Company held on
30th September, 2002.**

SPECIAL RESOLUTION

“RESOLVED THAT pursuant to Section 31 and other applicable provisions if any of the Companies Act, 1956, and provisions of other statutes as applicable and subject to such approvals, consents permissions and sanctions may be necessary from appropriate authorities, the Article 2A be inserted immediately after Article 2 of the Articles of Association of the Company.

“2A – The Company is a Private Limited Company and accordingly :

- (a) The right, if any to transfer shares of the company is restricted as herein after provided.
- (b) The number of member of the Company not including persons who having being formerly in the employment of the Company or member of the Company while in that employment have continued to be members all that employment ceased), shall not exceed Fifty provided that where two or more persons hold one or more shares in the Company jointly, they shall for the purpose of this clause, be treated as a single member.
- (c) Any invitation to the public to subscribe shares in or debentures of the company is prohibited.
- (d) Any invitations or acceptance of deposits from persons other than its members, directors or their relatives is provided.”

**Special Resolution passed at the Extra Ordinary General Meeting of the Company
held on 24th March, 2006.**

SPECIAL RESOLUTION

“RESOLVED that in accordance with the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956, the existing set of Articles of Association of the Company be substituted by a new set of Articles of Association a copy of which is placed before the meeting.”

Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 24th March, 2006.

SPECIAL RESOLUTION

“RESOLVED that pursuant to section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be substituted by the following:

‘The Authorised Share Capital of the Company is Rs.78,94,26,386 (Rupees Seventy Eight Crores, Ninety Four Lakhs Twenty Six Thousand Three Hundred Eighty Six Only) consisting of 3,30,00,000 equity shares of Rs.10/- each aggregating to Rs.33,00,00,000/- (Rupees Thirty Three Crores) and convertible preference shares of Rs.31/- each aggregating to Rs.45,94,26,386/- (Rupees Forty Five Crores Ninety-Four Lakhs Twenty-Six Thousand Three Hundred and Eighty-Six Only) each.’”

Special Resolution passed at the Annual General Meeting of the Company held on 19th May, 2006.

SPECIAL RESOLUTION

“RESOLVED that pursuant to Section 21 of the Companies Act, 1956 and subject to the approval of the Central Government, the name of the Company be and is hereby changed from “Mahindra Automotive Steels Limited” to “Mahindra Forgings Limited”.

Special Resolution passed at the Extra Ordinary General Meeting of the Company held on 4th December, 2008.

SPECIAL RESOLUTION

“RESOLVED that pursuant to the provisions of Section 31 and any other applicable provisions, if any of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered as follows:

The words “Share Premium Account” wherever appearing under Articles 9, 13 and 198 of Articles of Association of the Company be substituted with the words “Securities Premium Account”.

**Special Resolution Passed at the Extra Ordinary General Meeting of the Company
held on 18th February, 2010.**

SPECIAL RESOLUTION

“RESOLVED THAT pursuant to the provision of Section 31 and other applicable provisions of the Companies Act, 1956 including any amendment(s), statutory modification(s) or re-enactment thereof, for the time being in force (“the Act”), the existing Article 3 of the Articles of Association of the Company be substituted by the following new Article 3:

‘3 The Authorised Share Capital of the Company is Rs.167,94,26,386/- (Rupees One Hundred Sixty Seven Crores Ninety Four Lakhs Twenty Six Thousand Three Hundred and Eighty Six Only) divided into 12,20,00,000 (Twelve Crores Twenty Lakhs) Equity Shares of Rs 10/- (Rupees Ten) each aggregating Rs.122,00,00,000/- (Rupees One Hundred Twenty Two Crores Only) and 1,48,20,206 (One Crore Forty Eight Lakhs Twenty Thousand Two Hundred and Six) 4% Non Cumulative Redeemable Non Convertible Preference Shares of Rs 31/- (Rupees Thirty One) each aggregating Rs. 45,94,26,386/- (Rupees Forty Five Crores Ninety Four Lakhs Twenty Six Thousand Three Hundred and Eighty Six only) with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force’.”

**Special Resolution passed at the Annual General Meeting of the Company held on
31st July, 2012.**

SPECIAL RESOLUTION

“**RESOLVED** that pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 and Rules framed thereunder and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the existing Articles of Association of the Company be amended as under:

- i) The following Article be inserted after the existing Article 105 as Article 105A:

Participation through Electronic Mode

105A: Notwithstanding anything contrary contained in the Articles of Association, the Company may provide Video Conference facility and/or other permissible electronic or virtual facilities for communication to enable the Shareholders of the Company to participate in General Meetings of the Company. Such participation by the Shareholders at General Meetings of the Company through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

- ii) The following Article be inserted after the existing Article 158 as Article 158A:

Participation through Electronic Mode

158A: Notwithstanding anything contrary contained in the Articles of Association, the Director(s) may participate in Meetings of the Board and Committees thereof, through Video Conference facility and/or other permissible electronic or virtual facilities for communication. Such participation by the Director(s) at Meetings of the Board and Committees thereof, through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

- iii) The following proviso be inserted after the existing Article 159 (a):

Provided further that a Director participating in a Meeting through use of Video Conference or any other permissible electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in the Articles of Association.

- iv) The following Article be inserted after the existing Article 205(2) as Article 205(2A):

205(2A): Notwithstanding anything contrary contained in the Articles of Association, a document may be served by the Company on any Member by any electronic mode of communication and in such manner as is/may be permitted by any law. Where a document is served by any such electronic mode, the service thereof shall be deemed to be effected in the manner as is/may be provided by any law.

FURTHER RESOLVED that the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any Committee or any person which the Board may constitute/ nominate to exercise its powers, including the powers by this Resolution) be authorised to carry out the abovementioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution.”

**Special Resolution passed at the Annual General Meeting of the Company held on
23rd July, 2013.**

SPECIAL RESOLUTION

“RESOLVED THAT pursuant to Section 258, 259 and all other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government and other regulatory authorities, approval of the members be and is hereby accorded for increasing the maximum number of Directors of the Company from twelve to sixteen and for substituting the existing article no. 139 of the Articles of Association of the Company by the following article:

‘Article 139

Until otherwise determined by a general meeting of the Company and subject to the provision of the Act, the number of directors shall not be less than three or more than sixteen.’

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as ‘the Board’, which term shall be deemed to include any Committee or person, which the Board may constitute/ nominate to exercise its powers conferred under this resolution), be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit.”

**Special Resolution passed through postal ballot by shareholders of the Company on
1st November, 2013**

SPECIAL RESOLUTION

“RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 and the Companies Act 2013 and subject to the approval of any regulatory authorities, as may be required, including the Registrar of Companies for changing the name of the Company, approval of the members be and is hereby accorded that the existing set of Articles of Association of the Company be substituted with a new set of Articles of Association numbering from 1 to 221 (Both Inclusive).

RESOLVED FURTHER THAT subject to the approval of the Registrar of Companies for changing the name of the Company, the name ‘Mahindra Forgings Limited’ wherever it appears in the Articles of Association of the Company be replaced by “Mahindra CIE Automotive Limited” once the change in name has become effective pursuant to Section 21 of the 1956 Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company including any Committee or person, which the Board may have or may constitute/nominate to exercise its powers conferred under this resolution, be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit.”

Special Resolution passed through Postal Ballot by shareholders of the Company on 27th March, 2015

SPECIAL RESOLUTION

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company be amended as follows:

- 1) Article 144(5) of the Articles of Association: Insert the words “unless waived (Conditional or otherwise) by M&M in writing” after the words “as the Chairman of the Board (“Chairman)”;
- 2) Article 144(5) of the Articles of Association: Insert the words “if any” after the words “If the Chairman nominated by M&M”;
- 3) Article 179 of the Articles of Association: Delete the words “or the Whole-time Director” from this Article;
- 4) Article 148(2) and Article 148(6) of the Articles of Association be altered in the following manner:

Article No.	Existing Article	New Article to be replaced
148(2)	Unless a shorter period of notice in respect of any particular meeting of the Board is agreed by all the Directors in writing (including through email), any meeting of the Board shall be convened only upon giving a prior written notice of not less than 14 (fourteen) days to all the Directors. Each notice of a meeting of the Board shall contain an agenda specifying, in reasonable detail, the matters to be discussed at the relevant meeting and shall be accompanied by all necessary information in writing.	The Notice calling Board Meeting shall be given in accordance with the provisions of Companies Act, 2013 and Rules made hereunder.
148(6)	The Company shall cause the company secretary to prepare minutes of each Board meeting and circulate them to each Director within 10 (ten) days of the meeting. The Directors may make any comments on the minutes of the meeting within 7 (seven) days of receipt of the minutes and such comments shall be incorporated into the minutes of the meeting to the extent that they accurately reflect the discussions and decisions taken at such meeting. If no comments are made within the time limit specified above, the minutes shall be deemed to be accepted. The minutes shall be signed and recorded as per the provisions of the Act.	The Minutes of the Board Meeting and Committees thereof shall be prepared, circulated and signed in accordance with the provisions of Companies Act, 2013 and Rules made thereunder.

RESOLVED FURTHER THAT the Board of Directors of the Company, which includes any Committee thereof and/or any individual(s) authorised by the Board be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Special Resolution passed at the Extraordinary General Meeting of the shareholders of the Company held on 13th October, 2016

SPECIAL RESOLUTION

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, and other rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the Act), the existing Article 3 of the Articles of Association of the Company be and is hereby substituted with the following Article 3:

3. The Authorised Share Capital of the Company is Rs. 4,869,426,365 (Rupees four billion eight hundred sixty nine million four hundred twenty six thousand three hundred sixty five only) divided into 486,942,621 (Four hundred and eighty six million nine hundred forty two thousand six hundred twenty one only) Equity Shares of Rs. 10 (Rupees ten only) each aggregating Rs. 4,869,426,210 (Rupees four billion eight hundred sixty nine million four hundred twenty six thousand two Hundred ten only) and 5 (Five) 4% (Four percent) Non Cumulative Redeemable Non Convertible Preference Shares of Rs. 31 (Rupees thirty one only) each aggregating Rs. 155 (Rupees one hundred fifty five only), with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force.

FURTHER RESOLVED THAT for the purpose of giving effect to the above resolution, approval of the Company be accorded to the Board of Directors of the Company (including any committee thereof or any one or more Directors/ Officials of the Company authorised by the Board) to take all steps and do all acts and things as may be necessary in relation to completion of all the legal formalities/procedures as may be required and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”