
Memorandum

and

Articles of Association

of

MAHINDRA & MAHINDRA LIMITED

MAHINDRA & MAHINDRA LIMITED
MEMORANDUM AND ARTICLES OF ASSOCIATION
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Certificate of Incorporation.

No. 4558. of 19 45-1946 .

I hereby certify that "Mahindra and
Mohammed, Limited"

is this day incorporated under the Indian
Companies' Act, VII of 1913, and that the
Company is Limited.

Given under my hand at Bombay
this Second day of October

One thousand nine hundred and forty-five.

Behramji Kherani

Registrar of Joint-Stock Companies.



S. O. 84.
GIP 33-340 (JSC) MPT-(12434/M-175)-19-5-43-3,000





Certificate Of Incorporation.

No. 4558 of 19 -19

I hereby certify that Mahindra and Mohammed, Limited
 which name was changed on 13th January 1948 to
 Mahindra and Mahindra Limited was on 2nd October 1945
~~on this day~~ incorporated under the Indian Companies'
 Act VII of 1913, and that the Company is
 Limited

Given under my hand at Bombay

this Twentieth day of August

One thousand nine hundred and Fifty-two.



Registrar of Joint-Stock Companies
 BOMBAY.

No.11-4358

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

CERTIFICATE OF REGISTRATION OF
SPECIAL RESOLUTION PASSED FOR
ALTERATION OF OBJECTS

MAHINDRA & MAHINDRA LIMITED

having by Special Resolution passed on 26/07/1999
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 30/07/1999.

I hereby certify that the Special Resolution passed
on 26/07/1999 together with the printed copy
of the Memorandum of Association, as altered, has this day
been registered.

Given under my hand at MUMBAI

this TWENTYFIRST day of SEPTEMBER
Nineteen hundred ninety NINE.



(Signature)
(Y. M. DEOLIKAR),
DEPUTY, REGISTRAR OF COMPANIES,
MAHARASHTRA, MUMBAI

No.11- 4558

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

CERTIFICATE OF REGISTRATION OF
SPECIAL RESOLUTION PASSED FOR
ALTERATION OF OBJECTS

MAHINDRA & MAHINDRA LIMITED

having by Special Resolution passed on 31/07/2001

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 09/08/2001

I hereby certify that the Special Resolution passed
on 31/07/2001 together with the printed copy

of the Memorandum of Association, as altered, has this day
been registered.

Given under my hand at MUMBAI

this TWENTY-SEVENTH day of AUGUST

Two thousand ONE.



(A. H. ANSARI)
DEPUTY REGISTRAR OF COMPANIES,
MAHARASHTRA, MUMBAI

No.11-4558

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

CERTIFICATE OF REGISTRATION OF
SPECIAL RESOLUTION PASSED FOR
ALTERATION OF OBJECTS

MAHINDRA & MAHINDRA LIMITED

having by Special Resolution passed on 28/07/2003

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 11/08/2003

I hereby certify that the Special Resolution passed
on 28/07/2003 together with the printed copy

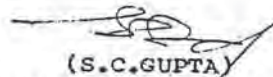
of the Memorandum of Association, as altered, has this day
been registered.

Given under my hand at MUMBAI

this SIXTEENTH day of SEPTEMBER

Two thousand THREE.




(S.C.GUPTA)

DEPUTY REGISTRAR OF COMPANIES,
MAHARASHTRA, MUMBAI

No. 11-4558

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

CERTIFICATE OF REGISTRATION OF SPECIAL
RESOLUTION PASSED FOR ALTERATION OF OBJECTS
IN THE OFFICE OF REGISTRAR OF COMPANIES, MAHARASHTRA,
MUMBAI

MAHINDRA & MAHINDRA LIMITED.

having by Special Resolution passed on 28/07/2005.
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 19/08/2005.

I hereby certify that the Special Resolution passed
on 28/07/2005 together with the printed copy of the
Memorandum of Association as altered, has this day
been registered.

Given under my hand at MUMBAI this FIFTH day of
SEPTEMBER TWO THOUSAND FIVE.



(M. V. CHAKRANARAYAN)
Dy. Registrar of Companies,
Maharashtra, Mumbai.

**MEMORANDUM OF ASSOCIATION
OF
MAHINDRA & MAHINDRA LIMITED**

1. The name of the Company is "Mahindra & Mahindra Limited."
2. The registered office of the Company will be situate in Province of Bombay.
3. The objects with which the Company is established are:
 - (i) To buy, sell, import, export, manufacture, treat, prepare and deal in merchandise, commodities, machinery, tools, goods and articles of all kinds and generally to carry on the business as merchants, contractors, importers and exporters.
 - (ii) To carry on the business of the iron founders, mechanical engineers, and manufacturers of agricultural implements and other machinery, tool-makers, brass-founders, iron masters, metal-workers, boiler-makers, millwrights, machinists, iron and steel converters, smiths, coke manufacturers, wood-workers, builders, painters, metallurgists, electrical engineers, water supply engineers, gas-makers, smelters, ironplate makers, farmers, printers, carriers and merchants, and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in machinery, implements, rolling stock, and hardware of all kinds, and to carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above, or otherwise calculated, directly or indirectly, to enhance the value of any of the Company's property and rights for the time being.
 - (iii) To carry on any business relating to the winning and working of minerals, the production and working of metals, and the production, manufacture, and preparation of any other materials which may be usefully or conveniently combined with the engineering or manufacturing business of the Company, or any contracts undertaken by the Company, an either for the purpose only of such contracts or as an independent business.
 - (iv) 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 of manufacturers, dealers, importers, exporters, assembles, factors, builders and repairers, and contractors of locomotives and rolling stocks, of all description of boilers, steam engines, internal combustion engines, tractors, turbines, and all types of hydraulic machines, armaments, machine tools and machinery of other description and builders of carriages, cars, carts and wagons and other vehicles and all appliances and machinery of all types and to carry on generally the business of builders, contractors, surveyors, estimators, and designers in all their respective branches.
 - (v) To carry on the business of Insurance agents, shipping agents, mercantile agents and any kind of commercial, financial and agency business and the business of hire purchase in all its branches, and to take part in the management of supervision or control of the business or operations in other companies, associations, firms or persons, and to become and hold the office of and act as managing agents, secretaries, managers, treasurers, promoters, executors, trustees, or other officers of a company or such companies, associations, firms or persons and in connection there to appoint and remunerate any directors, accountants, and other experts or agents.
 - (vi) To crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate, manipulate, and prepare for market ore, metal, and mineral substances of all kinds, and to carry on any other metallurgical operations which may seem conducive to any of the Company's objects.
 - (vii) To purchase, take on lease, or otherwise acquire, any mines, mining rights, and metalliferous land any interest therein, and to explore, work, exercise, develop and to turn to account the same.
 - (viii) To carry on business as 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.
 - (ix) To carry on business of general carriers by land, sea, air, or railway and for warding agents, warehousemen and Carmen.
 - (x) To search for, get, work, raise, make merchantable, sell and deal in iron, coal, ironstone, brick-earth, bricks, and other metals, minerals and substances, and to manufacture and deal in patent fuel and artificial stone whether for building, paying or other purposes.

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- (xi) To carry on the business of factoring agents, the business of securitisation of any moveable, immoveable, tangible, intangible fixed assets or current assets and receivables, setting up special purpose vehicles or entities for conducting the business of securitisation and conduct of any business or activity connected there with.
- (xi) To carry on business as manufacturers of chemicals and manures, distillers, dye makers, gas makers, metallurgists and mechanical engineers.
- (xii) 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 immoveable or moveable.
- (xiii) 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 houses, places for entertainments, studios, restaurants, hotels, stores, warehouse, shops, markets, wharves, factories, buildings, works and conveniences of all kinds and by consolidating, or connecting, or sub-dividing properties, and by providing pavements, paths, roads, and drains, and leasing, letting on buildings lease or building agreement, selling or otherwise disposing of the same.
- (xiv) 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.
- (xv) To erect, set up, construct, work, 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, works, sidings, bottles, wharves, bridges, public works, or conveniences of all kinds including railways, tramways, roads, ways, waterworks, tanks, wells, reservoirs, embankments, irrigation, sewage, drainage, sanitary water gas, electric power supply 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 & working any of the same and to pull down, rebuild, and repair any of the same.
- (xvi) To take on lease, hire, purchase or acquire by licence 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 moveable or immoveable property of any descriptions which may be deemed necessary or convenient for any business which the Company is authorised to carry on.
- (xvii) To acquire and hold, underwrite, and otherwise deal with and to shares, stocks, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any Company constituted or carrying on business in India or elsewhere, and debentures, debenture stocks, bonds, obligations, and securities issued or guaranteed by any government, sovereign ruler, commissioner, public body, or authority, supreme, municipal, local or otherwise whether in India or elsewhere.
- (xvii A) To carry on in India or elsewhere the business of letting on hire or hire purchase or easy payment system tractors, agricultural implements, tools, plants, appliances, apparatus, requisites accessories and agricultural machinery of all sorts and to undertake ploughing, spraying and other agricultural, horticultural and dairy operations on contract or other basis and to deal in, hire, let on hire, repair, improve or alter all varieties of plant, machinery, engines, appliances, accessories whether mechanical or electrical, which may be required or used for any agricultural, horticultural or dairy undertaking or business or by persons, firms, associations or companies carrying on any agricultural or dairy business and to carry on all or any of the businesses of manufacturers, designers, consultants, experts, operators, buyers, sellers, hirers, renters, repairers, exporters, importers, distributors, agents and dealers of and in machinery, devices, accessories, appliances, materials, components and requisites and things of all types used or likely to be required for agricultural, horticultural and dairy operations and crop improvements and to carry on or participate in activities for the promotion of food production and improvement in crop yield and for this purpose to make tractors and other equipment and services available on hire or on credit or on the installment system, hire purchase, hire agreement or easy payment or to undertake the operations thereof.

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- (xvii B) To purchase, charter, hire, build, or otherwise acquire, and to let on hire on hire purchase and otherwise deal in aeroplanes, helicopters, hovercraft, vehicles, other equipment or vessels and to employ the same in the spraying of crops and other agricultural products and merchandise of all kinds and to carry on the business of sprayers and crop protectors in all branches of such business, and to construct and maintain aerodromes, trucks or any surface together with all necessary or suitable buildings for the operating of such aircraft, whether such operation by commercial or by way of experiment or research.
- (xvii C) To carry on business as manufacturers and makes of and dealers in artificial manures and fertilizers of every description, dips, sprays, vermifuges, pesticides, fungicides and products of all kinds for agricultural, sylvicultural, horticultural or other purposes and organize and maintain seed farms, act as nurserymen, do the business of grading and processing of food grains and canning and processing of foods and to carry on the business of manufacturers of all kinds of raw and manufactured foods.
- (xvii D) To manufacture, develop, design, create, buy, sell, export, deal in and with otherwise carry on the business of manufacturers, of consultants and dealers in all kinds of electronics, electrical, industrial and scientific instruments, devices, apparatus, subsistence's, insulators, products and components, including, without limiting the generality of the foregoing television and telecommunication equipment, transistors, valves, tubes, cones, computers, systems, programmes, software and glass, fibre, epoxy or polyester resins connected therewith.
- (xvii E) To establish, provide, maintain and conduct, or otherwise subsidise experimental and research farms laboratories and experimental centres for scientific and technical research and tests in agriculture, sylviculture, horticulture, dairy farming and market gardening and to promote studies and research both scientific and technical investigation and invention in respect thereof by providing, subsidizing, endowing, or assisting experimental and research farms, laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of agricultural, scientific, or technical professors, teachers demonstrators and other personnel and by providing for the award of exhibitions, scholarships, prizes and grants to students, farmers, cultivators of otherwise and generally to encourage, promote and reward studies, research, investigations, experiments, tests and inventions of any kind in the fields of agriculture, sylviculture, horticulture, dairy farming and market gardening that may be considered likely to assist in any way the food requirement of India.
- (xvii F) To manufacture, develop, buy, sell, export, deal in and with otherwise carry on the business of manufacturers of and dealers in all kinds of laminated and resin bonded, cylinders, tubes, pipes, cones, sheets, films, components for electrical, chemical and general engineering industries including fiberglass in the form of nuts, bolts and woven material epoxy or polyester resins and mica based products.
- (xvii G) To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution any promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing programme of rural development shall also include any programme for promoting the social and economic welfare of or the uplift of the public in any rural area which the Directors consider likely to promote and assist rural development, and the words "rural areas" shall include such areas as may be regarded as rural areas under section 35CC of the Income-tax Act, 1961, or any other law relating to rural development for the time being in force or as may be regarded by the Directors as rural areas and the directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any public or local body or authority of Central or State Government or any public institutions or trusts or funds as the Directors may approve.
- (xvii H) To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the public or any section of the public and in such manner and by such means as the Directors may think fit and the Directors may without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity, for publication of any books, literature, newspapers, etc. or for organizing lectures of seminars likely to advance these objects or for giving merit awards, for giving scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, fund, trust, etc. having any one of the aforesaid objects as one of its objects, by giving donations or otherwise in any other manner and the Directors may

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at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and 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 or trusts or funds as the Directors may approve.

- (xviii) *To manufacture bio-fertilizers, bio-pesticides, bio-fuels, cultivation and extraction of medicinal and aromatic plants, products related to bio-technology and bio-engineering such as seeds, hybrids, bio-pesticides, medicinal and aromatic plants, fodder, diet supplements for cattle and other animals and work and train in areas of bioinformatics, genomics and contract research.
- (xvii J) *To carry on all or any of the business of transport, lorry operators, oil tank operators, cartage and haulage contractors, garage proprietors, garage keepers, service stations, spares and accessories shop, owners and charterers of road vehicles, aircrafts, ships, trucks, barges and boats of every description, carriers of goods and passengers by road, rail, water or air, Carmen, cartage contractors, stevedores, wharfingers, cargo superintendents, packers, haulers, warehousemen, store-keepers and jobmasters.
- (xvii K) *To carry on the business of warehouse management, fleet management and other activities relating to Supply Chain Management.
- (xvii L) *To carry on the business of running motor lorries, motor taxis, motor omnibuses, tank lorries, coaches, tankers, tractors, turbines, multi-utility vehicles, trailers, trolleys, and conveyances of all kinds and on such lines and routes as the Company may think fit and to transport passengers and goods and generally to do the business of common carriers.
- (xvii M) *To carry on the business of booking cargoes and luggage of the public in general and of Company's constituents in particular with every type of carrier, in particular with airlines, steamship lines, railways and road carriers.
- (xvii N) *To manufacture, build, construct, develop, buy, sell, supply, import, export, assemble, equip, distribute, exchange, barter, let on hire, buy or sell on hire-purchase or instalment system, tankers, tractors, multi-utility vehicles, trailers, trolleys or otherwise deal in lorries, trucks, buses, motors, cars, motor cycles or other motor vehicles of all kinds and descriptions and generally to carry on the business as manufacturers, servicemen, repairers, omnibuses, taxi-cars, lorries, motor cars and all other kinds of vehicles and vessels for the transport of persons and goods whether propelled or moved by fuel, electricity, steam vapour, oil or other motives of mechanical power.
- (xvii O) *To erect, hire or to let, workshops, garages, showrooms, service stations, for display, repair, overhauling assembly coach or body building of motor cards, oil tankers, tank lorries, heavy and medium motor vehicles, scooters, motor-cycles, mopeds, vans of any description and to carry on the business of electrical, mechanical and automobile engineers.
- (xvii P) **To carry on the business of providers of all types and varieties of business process and strategic services to enterprises engaged in manufacturing, trading and service sectors including but not limited to financial services, healthcare, insurance, information technology, automobile, advertising, hospitality, infrastructure by providing technology skills and expertise in core and non-core business processes, time share services, facilities management, front and back office support, supply chain management services, customer relationship management, human resource management, network facility management services related to customer interaction, value added data analysis for product development and marketing, data processing, data banking to management information systems, analysis, control and distribution of all kinds of data to such enterprises in the areas of amongst others human resource management, quality management and support, payroll processing, management of retirement, superannuation and provident funds, annuities, financial accounting, book keeping, fixed asset accounting and related documentation, invoice verification, bill passing, customer's bills and receipts processing, management of accounts payable and receivables, purchase management and processing of related documents, documentation related to all kinds of statutory and regulatory compliances and controls, administrative and other kinds of support services, insurance claims processing and settlement, act as franchisees, brokers, commission agents for sale of financial/insurance and related products and services on web, provide all kinds of value added Information technology enabled services including internet service portals, e-com, integrated transaction interchange engines, software product development.

* Amended by Special Resolution passed by the Company at the Annual General Meeting held on 31st July, 2001

** Amended by Special Resolution passed by the Shareholders by way of Postal Ballot and the results declared at the Annual General Meeting held on 28th July, 2003

- (xvii Q)** To undertake the business of scientific research and development in the area of product development for the manufacture of all types of industrial products and in particular for products of the automotive industry by providing designing, engineering, reengineering and reverse engineering, prototyping, testing, packaging, certification, validation, product data management, and allied services including in the areas of style, quality, functional deployment, development of aggregates, supplier selection and development, quality assurance, self certification, and the like in relation to or in connection with all aspects of manufacturing of industrial products and in particular for products of the automotive industry including providing scientific research and development, evaluating full range of activities from market research leading upto final product launch.
- (xvii R)** To carry on the business of running, operating, managing, advising on and supplying information/data processing and information retrieval systems whether or not remotely located and including but not limited to videoconferencing, videotext, telefax and teletext systems and systems utilising the capture, storage, processing, transmission or receipt of mechanical or electronic signals of all types (including but not limited to data, sounds and visual images) by, with the aid of, in conjunction with, or in any way utilising, computers or similar equipment, and computer programs and databases.
- (xvii S)** To carry on the business of development and conversion of software and its delivery to Company's clients in connection with the Company's business, providing the services of trained personnel and experts, managing development centers at any location, undertaking turn key projects in product development involving all aspects thereof from the market research to final product launch and dealer selection, carrying on research and development activities for the purpose of the Company's business and to meet the needs of clients and providing e-solutions for and in connection with product development activities to Company's clients.
- (xvii T) *** To establish, undertake and carry on business of industrial and construction equipment manufacturers, contractors, sellers, buyers, assemblers, original equipment manufacturers, importers and exporters, providing electrical power solutions, design, research, develop, install, repair, supply and deal in all types of electricity and other electrical equipments including but not limited to generator sets of any capacity and size and alternators of any capacity and size, motors, fans, batteries, storage batteries, energy saving devices, solar energy products, engine performance unit and controllers, generating set controllers, control panels, battery chargers of all kinds for various applications, canopies, acoustic enclosures, shelters and cables.
- (xvii U) *** To establish, undertake and carry on the business of trading, hire purchase, leasing and financing, chartering, renting and indenting agents for industrial and construction equipment and machinery, generator sets, electrical power plants, alternators, control panels, pump sets with or without prime-mover and alternative energy systems.
- (xvii V)*** To act as consultants and undertake maintenance, overhauling and service contracts of all kinds of plant, industrial and construction equipment and machinery, generator sets, alternators, control panels, controllers, compressors, internal combustion engines and marine engines.
- (xvii W)*** To undertake and carry on the business of manufacturers and dealers of all kinds of weapon systems, armaments and devices including but not limited to torpedoes, mines, rockets, missiles and similar projectiles whether operated manually or by remote control, launched from land, air or sea with or without explosives, detonators and similar devices and all related equipments for use by armed forces whether based on the proprietary designs and drawings of the armed forces or ministry of defence, prototypes, assemblies, sub-assemblies, parts, components, accessories, fitments of any and all such devices and equipments and to conduct all or any of the activities connected with the purchase or procurement and import of such components and spares as may be required for use in the aforesaid weapon systems, armaments and devices.
- (xvii X)*** To provide information security consulting services including but not limited to conducting a risk analysis of the primary business objectives of any entity, body/enterprise or organization, a representative current state analysis of information infrastructure and security level of people, processes and technology, creating a policy framework including supporting procedures and standards covering aspects of people, processes and technology, advising, improving and securing the technology infrastructure, educating, training and maintaining an ongoing communication with the employees of any entity, body/enterprise or organisation to maintain acceptable awareness levels in such entity, body/enterprise or organisation, with the intention of achieving and maintaining the security objectives and conducting training programs and using change management products of all types including but not limited to infosec posters, flash films, screensavers, wallpapers, customized audio visual films, emailers, handbooks, providing assistance and implementation support for quality certification and conducting pre-certification audits, technical evaluation of ERP systems as per requirements of the clients and developing, providing and maintenance of software for the purpose of information security including but not limited to visitor management software.

** Amended by Special Resolution passed by the Shareholders by way of Postal Ballot and the results declared at the Annual General Meeting held on 28th July, 2003.

*** Amended by Special Resolution passed by the Shareholders by way of Postal Ballot and the results declared at the Annual General Meeting held on 28th July, 2005.

- (xvii Y) **** To carry on the business of wholesale trading of seeds, fertilizers, agro chemicals, nutrients and all other types of inputs used in agriculture and related activities including supplying, hiring and rental services for Tractors, implements, farm machinery and machinery related to agriculture and food processing, irrigation and water management equipment, maintenance services of all farm equipments, food processing equipment, irrigation equipment, consultancy services related to farming, farm machinery, food processing machinery, agricultural produce marketing, food processing business, information technology based computation, communication and internet based services related to agricultural information, food industry information, commodities information, weather, rural affairs, social affairs, news and all other information, trading of agricultural produce through buying, selling, commission agency and providing post harvest services to farmers and agri industry to provide storage, grading, sorting, packing, post harvest processing and transportation of agricultural produce, research, development and educational activities relating to farming practices, use of new technologies of seeds, fertilizers, chemical, nutrients, new techniques of mechanisation of agriculture, agricultural economics, post harvest technology practice and demonstration farms, entertainment, health, restaurant and educational services relating to contract farming by contracting farmers and corporate farming by the Company, opening and operating outlets for all the above activities whether through Company owned outlets, joint ventures, franchising and subcontracting arrangements for all the aforesaid purposes.
- (xvii z) ***** To carry on the business of exporters & importers of all types of manufactured goods and substances including semi-finished or semi-processed goods to all parts of the world including without prejudice to the generality of the foregoing, all types of vehicles, including motor vehicles, tractors, engines, pumps, electric motors, transformers, switch-gears and electric appliances of all types, machinery of all types, machine tools, agricultural implements, chemicals, synthetic products, rubber tyres, cords, tubes, typewriters, refrigerators, scientific instruments and all and any type of equipment, appliance and product, minerals, raw materials, semi and manufactured products, fabrics made from natural or artificial fibers, garments, foods and beverages.
- (xvii z 1) ***** To engage in the business of designing, developing, manufacturing, producing, assembling, selling, buying, distributing, exporting, importing re-selling, exchanging, altering, improving, assembling, dealing in marketing, procuring, sourcing and acting as buying and selling agents, commission agents, merchants, distributors, traders in and brokers for automotive vehicles including but not limited to trucks, lorries, buses, omni buses, trailers, tractors, motor cars, auto-rickshaws, scooters, motor-scooters, three wheelers motor cycles, cycles, engines, locomotives, turbines, tanks, ships, boats, barges, launches, aeroplanes, airships, seaplanes, balloons and aircraft of every description and also of various parts and components including but not limited to chassis, engines, replacement parts, tools, aggregates, implements, spare parts, accessories, materials of all or any of the above mentioned motor vehicles used for the transport or conveyance of passengers, merchandise and goods of every description whether propelled or used by electricity, steam, oil vapour, gas, petroleum, diesel oil or any other motive or mechanical power, in India or elsewhere and to render all or any services in relation or in connection with any or all of the aforesaid activities such as but not limited to, supply chain management services, after sales support and services and financing for such automotive vehicles.
- (xviii) To carry on any business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with any of the businesses hereby authorised or calculated directly to enhance the value of or rendered profitable any of the Company's properties or rights.
- (xix) To pay for any property, rights or privileges acquired by the Company or for the services rendered or to be rendered in connection with the promotion of or the business of the Company or for acquisition of any property of the Company or otherwise either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and to issue any such shares either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and to charge any such bonds, debentures or other securities upon all or any part of the property of the Company.
- (xx) To lease, let out on hire, mortgage, pledge, sell or otherwise dispose of the whole or any part of the undertaking of the Company, or any lands, business, property, rights or assets of any kind of the Company or any share or interest therein respectively, in such manner and for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any other corporation having objects altogether or in part similar to those of the Company.
- **** Amended pursuant to the Scheme of Arrangement between Mahindra Shubhlabh Services Limited and Mahindra and Mahindra Limited and their respective Shareholders passed by the Honourable High Court of Judicature at Bombay vide its Order dated 25th March, 2011.
- ***** Amended pursuant to the Scheme of Arrangement between Mahindra Trucks and Buses Limited and its Shareholders and Creditors and Mahindra and Mahindra Limited passed by the Honourable High Court of Judicature at Bombay vide its Order dated 7th March, 2014.

- (xxi) To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit the Company.
- (xxii) Generally to acquire, purchase, take on lease or in exchange, hire, or otherwise acquire in India or elsewhere, any movable or immovable property and rights or privileges which the Company may think necessary or convenient for the purposes of its business or otherwise and in particular any land, buildings, hereditaments of any tenure or description and estate or interest therein and any rights connected with the same and easements, machinery, plant and stock-in-trade.
- (xxiii) To borrow or raise or secure the payment of moneys in such manner as the Company shall think fit, and in particular by the mortgage of or by the issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property, both present and future, including its uncalled capital, and to issue at par or at a premium or discount debentures or debenture stock, bonds or other obligations and to purchase, redeem, pay off or satisfy any such securities.
- (xxiv) To pay the costs, charges and expenses preliminary and incidental to the promotion, foundation, establishment and registration of the Company.
- (xxv) To acquire and undertake the whole or any of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on, or possessed of property suitable for the purposes of this Company, and to pay for the same by shares, debentures, cash or otherwise.
- (xxvi) To apply for, purchase, or otherwise acquire, any patents, brevets d'invention, licences, concessions, and the like conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem directly or indirectly to benefit the Company, and to use, exercise and develop or grant licences in respect of or otherwise turn to account the property, rights or information so acquired.
- (xxvii) To enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint adventure, reciprocal concession, or otherwise, with any person, firm or company carrying on or engaged in; or about to carry on or engage in, any business or transaction which this Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.
- (xxviii) To enter into any arrangements with any governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects, or any of them, and to obtain from any such government or authority and rights, privileges, and concessions which the Company may think desirable to obtain, and to carry out, exercise, and comply with any such arrangements, rights, privileges and concessions.
- (xxix) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit the employees or ex-employees of the Company or its predecessors in business or the dependants or connections of such persons, and to grant pensions and allowances and to make contributions towards provident fund of employees, payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful objects.
- (xxx) To receive fixed or other deposits not withdrawable by cheque, draft or order, and to lend money to such persons 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.
- (xxxi) To remunerate any person or company for services rendered, or to be rendered, in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures, debenture-stock or other securities of the Company or the conduct of its business.
- (xxxii) To amalgamate with any other company having objects altogether or in any part similar to those of this Company.
- (xxxiii) To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, warrants, debentures, and other negotiable or transferable instruments.
- (xxxiv) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.
- (xxxv) To invest and deal with the moneys of the Company not immediately required as may be determined by the Directors from time to time.

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- (xxxvi) To distribute any of the assets of the Company in the form of specie or bonus shares to its members.
- (xxxvii) To adopt such means of making known the products of this Company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards, and donations.
- (xxxviii) 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 interests.
- (xxxix) To do all or any of the acts, matters and things hereby authorised in any part of the world as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.

And it is hereby declared that the word 'company', save when used in reference to this Company in this clause, shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated and wheresoever domiciled and the intention is that the objects specified in any paragraph of this clause shall, except when otherwise expressed in such paragraph, be in no wise limited or restricted by reference to or inference from the terms of any other paragraph.

4. The liability of the members is limited.
5. ***** The Authorised Share Capital of the Company is Rs. 11,681,50,00,000 (Rupees Eleven Thousand Six Hundred Eighty One Crores and Fifty Lacs only) divided into 2,031,30,00,000 (Two Thousand Thirty One Crores and Thirty Lacs) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees Hundred) each and 150,00,00,000 (One Hundred and Fifty Crore) Preference Shares of Rs. 10 (Rupees Ten) each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation.

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 respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Name, address and description of subscribers	Number of shares taken by each subscriber	Witness to signatures
K. C. Mahindra, Merchant, Taj Mahal Hotel, Bombay.	100	Jal P. B. Neku, Managing Clerk, Messrs. Crawford Bayley & Co. Solicitors, Bombay.
Inam Mohammed, Merchant, 7, Albuquerque Road, New Delhi.	1	Jal P. B. Neku, Managing Clerk, Messrs. Crawford Bayley & Co. Solicitors, Bombay.

Dated this 28th day of September, 1945.

***** Amended pursuant to the Scheme of Merger by Absorption of Mahindra Engineering and Chemical Products Limited and Retail Initiative Holdings Limited and Mahindra Retail Limited with Mahindra and Mahindra Limited and their respective Shareholders, sanctioned by the National Company Law Tribunal, Mumbai Bench vide its Order dated 24th March, 2022.

Copy of the Bombay High Court Order obtained for the merger of Mahindra Engineering Company Limited with Mahindra & Mahindra Limited

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

Company Petition No. 53 of 1968.

(Connected with Company Application No. 23 of 1968)

Coram: Madon J.

12th July, 1968.

In the matter of the Companies Act, 1956;

and

In the matter of Mahindra & Mahindra
Limited;

and

In the matter of Mahindra Engineering
Company Limited.

Mahindra & Mahindra Limited, a
public company registered at Bom-
bay under the Indian Companies
Act, 1913 and having its registered
office at Gateway Building, Apollo
Bunder, Bombay-1.

Petitioner

The Petitioner Company by its Petition herein dated the 23rd April, 1968 prays for the sanction of the Scheme of Amalgamation between Mahindra & Mahindra Ltd., the petitioner Company (hereinafter called the Transferee Company) and Mahindra Engineering Company Limited (hereinafter called the Transferor Company). And the said petition being this day called on for hearing and final disposal And Upon Reading the said Petition and the Affidavit of Keshub Mahindra dated the 23rd day of April, 1968 in support of the said Petition and the Affidavit of H. J. Gandhi dated the 21st day of May, 1968 proving publication of Notice of the hearing of the Petition and the Affidavit of W. N. Mangela, dated the 29th day of May, 1968 proving service of Notice under section 394-A of the Companies Act, 1956 on the Registrar of Companies, Maharashtra and on the Secretary Company Law Board And Upon Perusing the order dated the 20th March, 1968 passed by this Honourable Court on the Company Application No. 23 of 1968 whereby the Petitioner Company abovenamed was ordered to convene two separate meetings of the members of the above Company holding Equity (Ordinary) Shares and 6% and 6½ % Tax Free Redeemable Cumulative Preference Shares for the purpose of considering and if thought fit approving with or without modifications of the Scheme of Arrangement and of Amalgamation of the Petitioner Company as the Transferee Company with Mahindra Engineering Company Limited as the Transferor Company which Scheme is referred to in paragraph 5 of the above Petition And Upon Perusing the Report dated the 22nd day of April, 1968 of Keshub Mahindra, the chairman of both the meetings of the ordinary and preference shareholders of the Petitioner Company ordered to be

held as aforesaid as to the result of the meetings held on the 22nd April, 1968 And Upon hearing Mr. M. R. Parpia, Advocate for the Petitioner Company in support of the said Petition and Mr. Atul M. Setalvad, Advocate for Mahindra Engineering Company Limited, being the Transferor Company, who supports the Petition and Mr. Rajgopal, Advocate for the Company Law Board and for the Registrar of Companies, Maharashtra who states that his clients wish to make no representations and it appearing from the said Report of Keshub Mahindra, the Chairman of aforesaid meetings dated the 22nd day of April, 1968 that the proposed Scheme of Amalgamation has been approved and agreed to unanimously by the members of the Petitioner Company present and voting in person or by proxy at the said meetings This Court Doth Hereby Sanction under section 391 of the Companies Act, 1956 the Scheme of Arrangement for Amalgamation between the Petitioner Company and its members as the Transferee Company, and Mahindra Engineering Company Limited as the Transferor Company and its members as mentioned in paragraph 5 of the Petition herein and in the First Schedule hereto annexed whereby the Petitioner Company as the Transferee Company be amalgamated with Mahindra Engineering Company Limited, as the Transferor Company and Doth Hereby Declare the same to be binding on the members of the Petitioner Company abovenamed, being the Transferee Company and on Mahindra Engineering Company Limited, being the Transferor Company And This Court Doth Further Order that with effect from the 31st March, 1968 (hereinafter called "the said date") the whole of the undertaking business and property of Mahindra Engineering Company Limited as the Transferor Company as also all properties moveable or immoveable including leases and tenancy rights, and cash balances, reserve balances and investments and all other interest or right in or arising out of such properties (and to the extent permitted by law all licences, import quotas already issued to the Transferor Company or to which the Transferor Company may become entitled) be transferred to and be vested in or deemed to be transferred to and vested in without any further act or deed, Mahindra & Mahindra Limited, as the Transferee Company and that the same shall pursuant to section 394(2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company free from all the estate and interest of the Transferor Company subject nevertheless to all charges now affecting the same And This Court Doth Further Order that with effect from the said date all and singular the existing debts, obligations and all the liabilities and duties of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956, be transferred to and become the debts, obligations, liabilities and duties of the Transferee Company And This Court Doth Further Order that all suits, appeals or other proceedings now pending by or against the Transferor Company be continued by or against the transferee Company And other instruments to which the Transferor Company is a party be in full force and effect against or in favour of the Transferee Company and be enforced as fully and effectually as if instead of the Transferor Company, the Transferee Company had been a party thereof And This Court Doth Further Order that any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary And This Court Doth Further Order that the Petitioner Company do within 14 days of the date of the sealing of the order cause a certified copy of this order to be filed with the Registrar of Companies, Maharashtra at Bombay And This Court Doth Further Order that the Registrar of Companies, Maharashtra at Bombay do place on and from the date of the service of this order all documents relating to Mahindra Engineering Company Ltd., the Transferor Company on the files kept by him in respect of Mahindra & Mahindra Ltd. the Transferee Company and do consolidate the files relating to the said two companies And This Court Doth Lastly Order that the Petitioner Company do pay to the Company Law Board and the Registrar of Companies, Maharashtra State their costs of this Petition fixed at Rs. 300/-

(Rupees three hundred) Witness Sohrab Peshotan Kotwal, Esquire, Chief Justice at Bombay aforesaid this 12th day of July, 1968.

By the Court

Sd/- S. P. DHANBHORA

For Prothonotary & Senior Master

SEAL

Sd/- V. N. Kulkarni

SEALER

This 26th day of July, 1968.

Order Sanctioning Scheme of Arrangement and of Amalgamation drawn up on application of Messrs Little & Company, Attorneys for the Petitioner. }

THE FIRST SCHEDULE REFERRED TO ABOVE

Scheme of Amalgamation of Mahindra & Mahindra Ltd.

with

Mahindra Engineering Company Limited

(1) An amalgamation and merger of ME (transferor company) with M & M (transferee company) by effected in such manner that, by virtue of the amalgamation the property, rights, powers and the liabilities, obligations and duties of every description of ME become the property, rights, powers and the liabilities, obligations and duties of M & M and M & M in lieu of its holding of the entire lot of shares in the capital of ME become the owners of all the business, assets and liabilities of ME as a going concern with effect from 31st March, 1968, and so that the merger takes place otherwise than as a result of the acquisition of the property or as a result of the distribution of such property after winding up of ME.

(2) The necessary orders of the Court may be obtained making provision for:

- (a) the whole of the undertaking, property, rights, powers and liabilities, obligations and duties of every description of ME are transferred to M & M;
- (b) any legal proceedings pending by or against ME are continued by or against M & M; and
- (c) ME being dissolved without winding up.

(3) M & M shall pay all the costs, charges and expenses of and incident to this Scheme and the carrying the same into effect.

(4) Nothing in the Scheme contained shall affect any charge, lien or security, except as hereinbefore provided.

(5) Subject to the provisions of this Scheme, M & M shall take over and discharge all the debts and liabilities of ME and shall indemnify ME and its directors in respect thereof.

(6) The directors of ME and M & M may assent to any modification or condition which the Court may think fit to approve or impose.

(7) This Scheme shall become operative as from 31st March, 1968 and as soon as but not before (a) The Bombay High Court has passed the necessary final orders; (b) M & M shall have carried out all their part necessary for the amalgamation and merger; and (c) a copy of the Court's Order has been delivered to the Registrar of Companies for registration pursuant to section 394(3) of the Companies Act, 1956 and unless such conditions shall have been complied with, this Scheme will never come into operation or be of any force or effect.



Certified to be a true copy
This 26th day of July, 1968.

Sd/-
For Prothonotary and Senior Master

Copy of the Calcutta High Court Order obtained for the merger for Mahindra Engineering Company Limited with Mahindra & Mahindra Limited

Company Petition No. 181 of 1968

Connected with Company Application No. 113 of 1968

IN THE HIGH COURT AT CALCUTTA ORIGINAL JURISDICTION

President of the Union of India,

In the matter of the Companies Act,
1956.

and

In the matter of Mahindra Engineering Company Limited a wholly owned subsidiary of Mahindra & Mahindra Ltd.

and

Mahindra & Mahindra Ltd., the holding company.

Company Petition No. 181 of 1968
connected with Company Application
No. 113 of 1968.

and

In the matter of Mahindra Engineering Co. Ltd. having its registered office at Hall and Anderson Building, Calcutta Applicant.
Petition to sanction Scheme of Compromise or arrangement and of amalgamation.



The Honourable
Mr. Justice
K. L. Roy

The above petition of Mahindra Engineering Company Limited above named (hereinafter referred to as the said transferor company) coming on for hearing on this day, upon reading the said petition, the order dated the twenty-third day of April last whereby the said transferor company was ordered to convene a meeting of their members for the purpose of considering and if thought fit approving with or without modification the compromise or the scheme of amalgamation proposed to be made between the said Transferor Company and its members so far as it relates to the amalgamation of the said Transferor Company with Mahindra & Mahindra Ltd. (Hereinafter referred to as the said transferee company) and annexed to the affidavit of Balwant Singh Bhagat filed on the seventeenth day of June last, the Calcutta Gazette dated the twenty-third day of May last and the Statesman dated the thirteenth day of May last and the Ananda Bazar Patrika dated the thirteenth day of May last each containing the advertisement of the said notice convening the said meeting directed to be held by the said order dated the twenty-third day of April last the affidavit of Sanat Kumar Mukherjee filed on third day of July instant showing the publication and despatch of the notice convening the same meeting, the report of the Chairman of the said meeting dated the tenth day of June last as to the result of the said meeting and an affidavit of Sanat Kumar Mukherjee filed on the twenty-fifth day of July instant and the exhibits therein referred to, and upon reading the order made herein and dated the twenty-fourth day of July last and upon hearing Mr. P. N. Chunder advocate for the said Transferor company and Mr. S. C. Sinha advocate for the Registrar of Companies West Bengal (the said Registrar of Companies is not opposing the application) And it appearing from the report that the proposed compromise or the scheme of amalgamation has been approved unanimously at the said meeting.

This Court doth hereby sanction the scheme of arrangement or amalgamation set forth in paragraph 11 of the petition herein and set out in the Schedule hereto and doth hereby declare the same to be binding on all the members of the said Transferor company and on the said transferee company.

This Court doth order:

(1) That all the property rights and powers of the said transferor company and all other the property rights and powers of the said transferor company at the close of business on or from the thirty-first day of March last do stand transferred without further act or deed to the said transferee company and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956 be transferred to and vest in the said transferee company for all the estate and interest of the transferor company therein but subject nevertheless to all charges now affecting the same.

(2) That all the liabilities and duties of the transferor company be at the close of business on and from the thirty-first day of March last transferred without further act or deed to the said transferee company and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the said transferee company and

(3) That all proceedings now pending by or against the said transferor company be continued by or against the said transferee company and

(4) That the said transferor company do within thirty days from the date hereof cause a certified copy of this order to be delivered to the said Registrar of Companies, West Bengal for registration and on such certified copy being so delivered the said transferor company shall be dissolved without winding up and the said Registrar of Companies, West Bengal shall place all documents relating to the said transferor company and registered with him on the file kept by the Registrar of Companies, Maharashtra in relation to the said transferee company and the files relating to the said two companies shall be consolidated accordingly.

(5) That any person interested shall be at liberty to apply to the Court on the above matter for any directions that may be necessary Witness Shri Deep Narayan Sinha, Chief Justice at Calcutta aforesaid this thirtieth day of July in the year one thousand nine hundred and sixty-eight.

Fox & Mondal Attorneys
S. C. Sinha Attorney

S. B. MITRA
21-8-1968
for Registrar

Schedule above referred to

(i) An amalgamation and merger of Mahindra Engineering Co. Ltd. with Mahindra & Mahindra Ltd. be effected in such a manner that by virtue of the amalgamation the property, rights, powers and the liabilities, obligations and duties of every description of Mahindra Engineering Co. Ltd. become the property, rights, powers and the liabilities, obligations and duties of Mahindra & Mahindra Ltd. and Mahindra & Mahindra Ltd. in lieu of its holding of the entire lot of shares in the capital of Mahindra Engineering Co. Ltd. become the owners of all the business, assets, and liabilities of Mahindra Engineering Co. Ltd. as a going concern with effect from 31st March, 1968 and so that the merger takes place otherwise than as a result of the acquisition of the property of Mahindra Engineering Co. Ltd. by Mahindra & Mahindra Ltd., pursuant to the purchase of such property or as a result of the distribution of such property after winding up of Mahindra Engineering Co. Ltd.

(ii) The necessary orders of the Court may be obtained making provision for:

- (a) the whole of the undertaking property rights, powers and liabilities, obligations and duties of every description of Mahindra Engineering Co. Ltd. are transferred to Mahindra & Mahindra Ltd.,
- (b) any legal proceedings pending by or against Mahindra Engineering Co. Ltd. are continued by or against Mahindra & Mahindra Ltd. and
- (c) Mahindra Engineering Co. Ltd. being dissolved without winding up.

(iii) Mahindra & Mahindra Ltd. shall pay all the costs, charges and expenses of and incident to this scheme and the carrying of the same into effect.

(iv) Nothing in this scheme contained shall effect any charge, lien or security except as heretofore provided.

(v) Subject to the provisions of this scheme Mahindra & Mahindra Ltd. shall take over and discharge all the debts and liabilities of Mahindra Engineering Co. Ltd. and shall indemnify Mahindra Engineering Co. Ltd. and its directors in respect thereof.

(vi) The Directors of Mahindra Engineering Co. Ltd. and Mahindra & Mahindra Ltd. may assent to any modification or condition which the Court may think fit to approve or impose.

(vii) This Scheme shall become operative as from 31st March, 1968 and as soon as but not before (a) The Bombay High Court has passed the necessary final orders, (b) Mahindra & Mahindra Ltd. shall have carried out all their part—necessary for the amalgamation and merger and (c) a copy of the Court's order has been delivered to the Registrar of Companies for registration pursuant to section 394(3) of the Companies Act, 1956 and unless such conditions shall have been complied with this scheme will never come into operation or be of any force or effect.

S. B. MITRA
21-8-68
for Registrar

I do hereby certify that this is a true copy of the original in my custody.
Dated this 23rd day of August, 1968.

Sd/-
For Registrar, of the High Court at
Calcutta, Original Side.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 83 OF 1971
(Connected with Company Application No. 29 of 1971)In the matter of sections 391 and 394 of the
Companies Act, 1956;

and

In the matter of The Union Bank of India
Limited;

and

In the matter of a Scheme of Amalgamation
between the Union Bank of India Limited and
Mahindra & Mahindra Limited.

The Union Bank of India Limited, a Public Limited Company incorporated under the Indian Companies, Act VII of 1913 and having its Registered Office at Orient House, Mungalore Street, Ballard Estate, Bombay-1.	}	Petitioner
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versus

Mahindra and Mahindra Limited, a Public Limited Company incorporated under the Indian Companies Act VII of 1913 and having its Registered Office at Gateway Building, Apollo Bunder, Bombay-1.	}	Respondent
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Coram : Nathwani J.
20th March 1972.

The Petitioner, by its Petition herein dated the 27th day of April, 1971 prays for sanction of a compromise or arrangement embodied in the Scheme of Amalgamation being Exhibit 'C' thereto so as to be binding on the Petitioner and its members and for other consequential reliefs as prayed for therein AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Shri Framroze Kalkobad Framroze Nariman in support thereof dated the 27th day of April 1971 and the Order dated the 1st day of March 1971 made by this Honourable Court in Company Application No. 29 of 1971, whereby the Petitioner was ordered to convene a meeting of the shareholders of the Petitioner for the purpose of considering and if thought fit approving with or without modification the compromise or arrangement embodied in the Scheme of Amalgamation proposed to be entered into between the Petitioner and the Respondent AND UPON READING the Report dated the 26th day of April 1971 of Devji Rattansey, the Chairman of the meeting of the shareholders of the Petitioner held on the 15th day of April 1971 as to the result of the said meeting AND UPON READING the Affidavit of Devji Rattansey dated the 26th day of April 1971 verifying the said Chairman's Report AND UPON PERUSING the issues of 'The Bombay Samachar' and 'The Statesman' (Calcutta Edition), both of the 13th day of May, 1971, the issue of 'The Times of India' (Bombay Edition) of the 27th day of May 1971, the issue of 'The Times of India' (New Delhi Edition) of the 1st day of June 1971 and the issue of 'The Indian Express' (Bombay Edition) of the 3rd day of June 1971, containing the advertisements of the Notice of the hearing

of the Petition AND UPON READING the Affidavit of Hoshang Hormusji Damania dated the 17th day of June 1971 proving publication of the said Notice in the issue of 'The Bombay Samachar', 'The Statesman' (Calcutta Edition), 'The Times of India' (Bombay Edition), 'The Times of India' (New Delhi Edition) and 'The Indian Express' (Bombay Edition) AND UPON READING the Affidavit of Jayant Sanjivrao Karkal, the Secretary of the Respondent dated the 13th day of July 1971 on behalf of the Respondent in support of the Petition AND UPON READING the Affidavit of S. Rajagopalan the Regional Director to the Company Law Board at Bombay, dated the 22nd day of July 1971 in opposition to the Petition, the Affidavit of Jayant Sanjivrao Karkal dated the 16th day of August 1971 in rejoinder to the Affidavit of S. Rajagopalan, and the Affidavit of Devji Rattansay, the Chairman of the Petitioner dated the 27th day of August 1971 in reply to the Affidavit of S. Rajagopalan AND UPON HEARING Mr. F. S. Nariman (with Mr. L. M. Chagla) Advocate for the Petitioner and Mr. B. R. Zaiwalla, Advocate for the Respondent, both in support of the said Petition AND UPON HEARING Mr. H. G. Advani (with him Mr. P. M. Mukhi) Advocate for the Regional Director to the Company Law Board at Bombay and Mr. J. I. Mehta, Advocate for Vijendra Devidas Knapadia, a shareholder of the Petitioner, both of whom appear to show cause against the said Petition AND UPON HEARING the Official Liquidator who appears in person and at this stage the said Advocate for the Regional Director to the Company Law Board stating to the Hon'ble Court that the Union Government has sanctioned the merger and has therefore withdrawn its opposition to the merger AND it appearing from the Report of the Chairman of the said meeting that the compromise or arrangement embodied in the Scheme of Amalgamation has been approved by a majority of not less than three-fourths in value of the shareholders present and voting in person or by proxy at the said meeting THIS COURT DOTH HEREBY SANCTION the compromise or arrangement embodied in the said Scheme of Amalgamation referred to in the Petition and in the Schedule hereto so as to be binding on all the shareholders of the Petitioner and on the Petitioner AND THIS COURT DOTH FURTHER ORDER that with effect from the close of business hours on the 30th day of April, 1971, the whole of the undertaking and all the property, moveable or immovable and other assets of whatsoever nature, including all rights and powers of every description of the Petitioner be transferred without any further act or deed to the Respondent and the same be transferred to and vested in or deemed to be transferred to and vested in the Respondent free from all the estate and interest of the Petitioner therein, subject nevertheless to all charges (if any) affecting the same AND THIS COURT DOTH FURTHER ORDER that with effect from the close of business hours on the 30th day of April, 1971, all and singular the existing debts, obligations and all the liabilities and duties of the Petitioner be also transferred without further act or deed to the Respondent and that the same be transferred to and become the debts, obligations, liabilities and duties of the Respondent AND THIS COURT DOTH FURTHER ORDER that all suits, appeals or other proceedings by or against the Petitioner pending at the time of closing of the business hours on the 30th day of April 1971 do continue by or against the Respondent AND THIS COURT DOTH FURTHER ORDER that all contracts, debts, bonds, agreements and other instruments to which the Petitioner is a party shall continue to be in force and effect as if instead of the Petitioner the Respondent had been a party thereto AND THIS COURT DOTH FURTHER ORDER that the Respondent do issue and allot equity shares and convertible bonds all credited as fully paid to the shareholders of the Petitioner who are registered as shareholders of the Petitioner to the extent and in the manner provided in Clause 5 of the said Scheme of Amalgamation AND THIS COURT DOTH FURTHER ORDER that within 30 days from the date of sealing of this Order a certified copy thereof be delivered by the Petitioner to the Registrar of Companies, Maharashtra, Bombay, for registration AND THIS COURT DOTH RESERVE the passing of orders and giving of directions in respect of the dissolution without winding up of the Petitioner (prayed for in the later part of prayer (g)) and also in respect of passing of directions to the Registrar of Companies, Maharashtra, Bombay, requiring him to place and on from such date as may be fixed by this Hon'ble Court all documents relating to the Petitioner in his office in the file

maintained by him in relation to the Respondent, so as to consolidate the files relating to the Petitioner and the Respondent [prayed for in prayer (h) of the Petition], until the Official Liquidator has made his report in accordance with second proviso to section 394(1) of the Companies Act, 1956 AND THIS COURT DOTH FURTHER ORDER that the Official Liquidator do scrutinise the books and papers of the Petitioner only for the period commencing from and subsequent to the 19th day of July 1969 for the purpose of making his report AND THIS COURT DOTH FURTHER ORDER that the parties to the compromise or arrangement embodied in the Scheme of Amalgamation or other persons interested shall be at liberty to apply to this Honourable Court as and when occasion may arise for any directions that may be necessary in regard to the compromise or arrangement embodied in the said Scheme of Amalgamation and the working out thereof AND THIS COURT DOTH FURTHER ORDER that there be no order as to the costs of the Respondent of the said Petition and of this order AND THIS COURT DOTH LASTLY ORDER that the Petitioner do pay to the Regional Director to the Company Law Board at Bombay the sum of Rs. 4,500/- and to Vijendra Devidas Kapadia the sum of Rs. 500/- being their respective costs of the said Petition and of this Order WITNESS SOHRAB PESHOTAN KOTVAL Esquire, Chief Justice at Bombay aforesaid the 20th day of March 1972.

Sd/-

By the Court

For Prothonotary & Senior Master

Seal

Sd/-

Sealer

This 26th day of April, 1972.

Order sanctioning Scheme of

Amalgamation drawn on

Application of

Messrs. Mulla & Mulla &

Craigie Blunt & Caroe.

Attorneys for the Petitioner

SCHEDULE

SCHEME OF AMALGAMATION OF THE UNION BANK OF INDIA LIMITED

WITH

MAHINDRA AND MAHINDRA LIMITED

1. With effect from the close of the business hours on 30th April, 1971 (hereinafter called "the appointed day") all the property rights and powers and all assets, of whatsoever nature, of The Union Bank of India Limited (hereinafter called "the Transferor Company") shall, without further act or deed, be and stand transferred to and vested in Mahindra and Mahindra Limited (hereinafter called "the Transferee Company").

2. With effect from the appointed day, all liabilities and duties of the Transferor Company shall also be and stand transferred, without further act or deed, to the Transferee Company and become the liabilities and duties of the Transferee Company.

3. All proceedings by or against the Transferor Company now pending shall be continued and enforced by or against the Transferee Company.

4. A statement of accounts of the Transferor Company shall be prepared covering the period from 1st January, 1970 to 30th April, 1971, and the Transferor Company shall be entitled to distribute to its members, by way of dividend for the said period, a sum not exceeding sixty paise per share, subject to deduction of tax.

5. (1) Every member of the Transferor Company shall in respect of every two shares held by him or her in the Transferor Company be entitled to receive from and to be allotted by the Transferee Company without further application:

- (a) one equity share in the capital of the Transferee Company of ten rupees credited as fully paid-up; and
- (b) one convertible bond of the Transferee Company of six rupees credited as fully paid-up.

(2) In the case of any member of the Transferor Company who holds only one share or one share in addition to any even number of shares in the capital of the Transferor Company, he or she shall be entitled to two convertible bonds of six rupees each of the Transferee Company credited as fully paid up for such one share held by him or her.

6. The convertible bonds of the Transferee Company of six rupees each shall have, amongst others, the following rights and conditions attached or applicable thereto:

- (i) They shall be entitled to interest at 8% (eight percent) per annum calculated from the appointed day which shall be payable half yearly.
- (ii) They shall be transferable by written instrument of transfer registered in the transfer books of the Transferee Company and otherwise subject *mutatis mutandis* to the Transferee Company's articles of association regulating the transfer and transmission of shares so far as may, in the discretion of the board of directors of the Transferee Company, be appropriate, but they shall not be negotiable by delivery.
- (iii) Every holder of the convertible bonds shall have the option and be entitled, upon giving to the Transferee Company at its registered office written notice of at least six months prior to 1st May, 1976, of his or her desire and option in this behalf, to receive and be allotted by

the Transferee Company one equity share in the capital thereof credited as fully paid up and ranking for dividend as from the 1st May, 1976, and in all other respects *pari passu* with the then existing equity shares of the Transferee Company in exchange for every three convertible bonds then held by him or her which he or she surrenders to the Transferee Company duly discharged;

- (iv) Such of the bonds as shall not have been converted into equity shares of the Transferee Company as aforesaid shall be redeemed at par and the holders thereof shall be paid the amount thereof by the Transferee Company on the 1st May, 1983, provided, that the Transferee Company shall be entitled at any time after the 1st May, 1979, to redeem and pay at par all or any outstanding bonds on giving six months' previous notice in writing to the holders thereof.

7. A member of the Transferor Company shall be entitled, at his or her option, in lieu of the entitlements in accordance with the foregoing clauses hereof, to receive payment as hereinafter provided and calculated at the rate of nine rupees in respect of every ordinary (equity) share of the Transferor Company held by him or her. Such option shall only be exercised by a notice in writing given by such member addressed to the Transferee Company at its registered office and received by the Transferee Company, together with the certificate/s of the member's shares, not later than 30th April 1971. The exercise of such option shall entitle such member to payment in terms of this clause in cash or by cheque, warrant or payment order, within 30 days after the effective date defined in clause 12 hereof.

8. The Transferee Company shall pass the necessary resolutions under section 81 of the Companies Act, 1956, for the purpose of issuing and allotting its equity shares and convertible bonds to the members of the Transferor Company as provided hereinabove.

9. The Transferor Company shall, with reasonable despatch, apply to the High Court, Bombay for necessary orders for directions for holding meetings of the Transferor Company and for sanctioning this Scheme of Amalgamation under section 391 of the Companies Act, 1956, and for orders under section 394 for carrying this scheme into effect and for dissolution of the Transferor Company without winding up.

10. The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any directions or any modification of this scheme which the Court may deem fit to give or make, and may take such action, as they may consider necessary or expedient to settle any question or difficulty arising under this scheme or in regard to its implementation and in all matters connected therewith.

11. This scheme is conditional on and subject to:

- (a) any requisite consent, approval or permission of the Central Government or any other authority, which by law may be necessary for the implementation of this scheme;
- (b) the necessary resolutions by the Transferee Company under section 81 of the Companies Act as aforesaid;
- (c) agreement by the requisite majorities required by section 391 of the Companies Act, 1956;
- (d) the necessary sanction and orders of the Bombay High Court under sections 391, 392 and 394 of the Companies Act, 1956, as aforesaid,

being obtained or passed before the 30th September, 1971, or within such further period or periods as may be agreed between the Directors of the Transferor Company and the Directors of the Transferee Company, and in the event of any such consent, approval, permission, resolution, agreement, sanction or order not being duly so obtained or passed, this scheme shall become null and void.

12. This scheme, although operative from the appointed day shall not become effective until the last of the following dates namely:

- (a) that on which the last of the aforesaid consents, approvals, permissions, resolutions, agreements, sanctions and orders shall be obtained or passed; and
- (b) that on which certified copies of the Court's orders under sections 391, 392 and 394 of the said Act shall be filed with the Registrar of Companies.

The last of such dates shall be the effective date for the purpose of this scheme.

13. From the appointed day until the effective date the Transferor Company—

- (a) shall stand possessed of all its property and assets of whatsoever nature in trust for the Transferee Company and shall account and be entitled to be indemnified accordingly; and
- (b) shall not without the written concurrence of the Transferee Company alienate, charge or otherwise deal with any of its property or assets.

Certified to be a true copy

This 28th day of April, 1972.

Sd/-

For Prothonotary & Senior Master

SEAL

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
 ORDINARY ORIGINAL CIVIL JURISDICTION
 COMPANY PETITION NO. 789 OF 1977 CONNECTED
 WITH
 COMPANY APPLICATION NO. 323 OF 1977

Coram : Bharucha J.
 9th March, 1978.

IN THE MATTER of the Companies Act I of 1956;

and

IN THE MATTER of International Tractor Company
 of India Limited, a Company incorporated in India under
 the Companies Act I of 1956 and having its registered
 office at Gateway Building, Apollo Bunder, Bombay 400 032.

International Tractor Company of India Limited,
 a company incorporated in India under the Com-
 panies Act, 1956 and having its registered office at
 Gateway Building, Apollo Bunder, Bombay 400 039 }

PETITIONER

The Petitioner Company abovenamed by its Petition herein dated the 9th day of December, 1977 for the sanctioning of the compromise or arrangement embodied in the Scheme of Amalgamation between the Petitioner Company as the transferor company and Mahindra & Mahindra Limited as the transferee company AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of M. D. Dhume dated the 9th day of December, 1977 verifying the contents of the said Petition AND UPON perusing the Affidavit of M. D. Dhume dated the 30th day of January, 1978 proving the publication in the newspapers of the Notice of Hearing the said petition and proving service of the Notice of Hearing of the said Petition on the creditors of the Petitioner Company and UPON perusing the affidavit of S. P. Trivedi dated 30th January, 1978 proving service of Notice upon the Regional Director to the Company Law Board AND UPON perusing the Order dated the 6th day of October, 1977 passed by the Hon'ble Court in Company Application No. 323 of 1977 whereby the said Petitioner Company was ordered to convene a meeting of the members of the Petitioner Company for the purpose of considering and if thought fit approving with or without modification the compromise or arrangement as embodied in the scheme of amalgamation of the Petitioner Company as the transferor company with Mahindra & Mahindra Limited as the transferee company, a copy of the said Scheme of Amalgamation being annexed to the said Petition AND UPON READING the Report dated the 28th day of November, 1977 of Keshub Mahindra, the Chairman of the meeting of the shareholders of the Petitioner Company as to the result of the meeting held on the 17th day of November, 1977 and upon reading the affidavit of Keshub Mahindra dated 28th November, 1977 verifying the said report dated 28th November, 1977 AND UPON HEARING Mr. S. D. Parikh, Advocate for the Petitioner Company abovenamed being the transferor company in support of the said application and Mr. I. M. Chugla, Advocate for the Transferee Company in support of the said Petition and Mr. F. H. Taleyarkhan Advocate for the Regional Director, Company Law Board, Bombay who shows cause against the said Petition AND Mr. K. C. Mahimkar, Advocate for the State Bank of India who submits to the orders of the Court and Mr. N. G. Thakkar Advocate for the

Kirloskar Bros. Pvt. Ltd., in support of the Petition and no other person appearing this day either in support of the said petition, or to show cause against the same and it appearing from the aforesaid Report of the Chairman of the said meeting that the said compromise or arrangement embodied in the said Scheme of Amalgamation has been approved by a majority of the members present and voting either in person or by proxy in the said meeting AND at this stage the Advocates for the Petitioner Company abovenamed applying for leave to amend the petition in terms of the draft handed in this Court doth grant leave to the Petitioners to amend the Petition in terms of the said draft amendment at their own costs and that such amendment be carried out forthwith AND THIS COURT DOTH HEREBY sanction the said compromise or arrangement embodied in the said scheme of Amalgamation as amended being Exhibit 'A' to the Petition and set forth in Schedule I hereto subject to the modification that the phrase "close of business hours on 31st October, 1977" in clause one for the said Scheme of Amalgamation be deleted and in its place the phrase "1st November, 1977" be substituted AND DOTH HEREBY DECLARE the said Scheme of Amalgamation be binding on all members of the Petitioner Company and on all its members and on Mahindra & Mahindra Ltd., the Transferee Company THIS COURT DOTH FURTHER ORDER that the entire business and undertaking and the entire estate, rights, title and interest, property, claim and demand of International Tractor Company of India Limited (hereinafter called the "transferor company") specified in Schedule II hereto and all other property, rights, powers, claims, interest, permits, imports and other licences quota rights, trade marks and copy rights, if any of the transferor company be transferred to and vest without any further act or deed in Mahindra & Mahindra Limited (hereinafter called the "transferee company") with effect from the first day of November, 1977 (hereinafter called the "appointed day") and accordingly the same shall pursuant to section 394(2) of the Companies Act I of 1956 be transferred to and vest in the transferee company therein subject nevertheless to all charges now affecting the same AND THIS COURT DOTH FURTHER ORDER that with effect from the said appointed day all the existing debts, obligations, liabilities, and duties of the transferor company shall also be transferred without any further act or deed to the transferee company and accordingly the same shall pursuant to section 394(2) of the Companies Act I of 1956 be transferred to and become the debts, obligations, liabilities and duties of the transferee company from the appointed day AND THIS COURT DOTH FURTHER ORDER that all actions, suits or proceedings now pending by or against International Tractor Company of India Limited being the transferor company be continued by or against Mahindra & Mahindra Limited being the transferee company AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do within thirty days of the date of sealing of this order cause a certified copy of this Order to be delivered to the Registrar of Companies, Maharashtra, Bombay for registration and the Registrar of Companies, Maharashtra, Bombay shall within fourteen days thereafter place all the documents relating to the Transferor Company registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said two companies shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do pay a sum of Rs. 300/- to the Regional Director, Company Law Board, Bombay being his costs of the Petition and THIS COURT DOTH FURTHER ORDER that the Prayer for dissolution of the Petitioner Company be and it is hereby adjourned to 12th day of June, 1978 and THIS COURT DOTH LASTLY ORDER that any person interested shall be at liberty to apply to this Hon'ble Court in the above matter for directions as may be necessary WITNESS RAMANILAL MANEKLAL KANTAWALA, Esquire, Chief Justice at Bombay aforesaid this 9th day of March, 1978.

ORDER sanctioning the Scheme of Amalgamation under sections 391 and 394(2) of the Companies Act I of 1956 drawn on application by Messrs. CRAWFORD HAYLEY & COMPANY, Advocates for the Petitioner.

By the Court
Sd/- N. R. Bhathena
For Prothonotary & Senior Master,
Sd/- B. K. Parvati
Sealer
This 18th day of May, 1978.

SCHEDULE I

1. With effect from 1st November, 1977 (hereinafter called "the appointed day") all the property rights and powers and all assets, of whatsoever nature, of International Tractor Company of India Ltd. (hereinafter called "the Transferor Company") shall, without further act or deed, be and stand transferred to and vested in Mahindra & Mahindra Ltd. (hereinafter called "The Transferee Company").

2. With effect from the appointed day, all liabilities and duties of the Transferor Company shall also be and stand transferred, without further act or deed, to the Transferee Company and become the liabilities and duties of the Transferee Company.

3. All proceedings by or against the Transferor Company now pending shall be continued and enforced by or against the Transferee Company.

4. A statement of accounts of the Transferor Company shall be prepared covering the period from 1st October, 1976 to 31st October, 1977.

5. (1) Every member of the Transferor Company except the Transferee Company shall in respect of every three shares held by him or her in the Transferor Company be entitled as of right to claim and receive from the Transferee Company within 30 days of the Effective Date an allotment of two equity shares in the capital of the Transferee Company of ten rupees credited as fully paid-up. No shares of the Transferee Company will be allotted to it in respect of its shareholding in the Transferor Company.

(2) In respect of every holding of less than three such equity shares or in respect of every holding in excess of three equity shares or exact multiple of 3 equity shares, be entitled as of right to receive within 30 days from the Effective Date an aliquot proportion respectively of equity shares in the capital of the Transferee Company; he shall also be entitled to fractional certificates for the balance amount of the equity shares with the following rights attached thereto.

(a) Any three such fractional certificates issued in respect of equity shares to be allotted pursuant to Clause 5(2) if presented to the Transferee Company within a period of two months from the date of such fractional certificates (or such extended date or dates as the Board of Directors of the Transferee Company may in their discretion from time to time determine) together with such form of application as shall be prescribed by such Board of Directors duly filled and signed, shall confer the right upon the person presenting the same to the Transferee Company to two such equity shares of Rs. 10/- credited as fully paid-up in the capital of the Transferee Company subject to the right of the Board of Directors in their absolute discretion without assigning any reason to reject such application and to refuse such allotment to any such person (other than a member of the Transferee Company or Transferor Company) not approved by them presenting such fractional certificates and application.

(b) If the fractional certificates so to be issued are not consolidated by the date aforesaid or such extended date as the Board of Directors of the Transferee Company may determine from time to time, the right attached to such certificates shall be determined (save as in this clause provided) and the Board of Directors of the Transferee Company may consolidate and allot new equity shares representing all such unconsolidated fractional certificates to such person or persons as they may think fit, including any one or more of the Directors or any one or more of the officers of the Transferee Company, on the express understanding that the person or persons to whom such shares will be allotted shall sell the same at such time or times, and to such person or persons as may be

approved by the Board of Directors of the Transferee Company and pay to the Transferee Company the net sale proceeds thereof, provided that the Board of Directors may, without making such allotment of all or some of such new equity shares direct the sale of any or all such new equity shares at such price or prices as may be approved by them and upon receipt of the purchase price in respect of each such sale, allot the share or shares to the name of the approved purchaser. The transferee company shall hold the aggregate sale proceeds of all such sales an allotments left over after defraying therefrom all costs, charges and expenses of such sales and allotments on behalf of the person holding such unconsolidated fractional certificates, and upon delivery to the Transferee Company by each such holder of the unconsolidated fractional certificates pay to him a share in such net sale proceeds and in the dividend from the Appointed Day in the same proportion as the number of such fractional certificates delivered by him bears to the total of such unconsolidated fractional certificates. Upon such sale the said fractional certificates shall be deemed to be cancelled.

- (c) The fractional certificates so to be issued shall be negotiable by delivery, but they shall not confer on the holder thereof any right to the payment of a proportionate dividend nor any right in or to a share nor any right of voting until and unless such certificates are consolidated into whole equity shares.
- (d) The equity shares of the Transferee Company to be allotted on consolidation of fractional certificates shall rank pari passu with new equity shares allotted under sub-clause 5(2).

(3) The new equity shares in the capital of the Transferee Company pursuant to clause 5(2) hereof shall rank for dividend, voting rights and in all other respect pari passu with existing equity shares of the Transferee Company, save and except that such new equity shares shall not rank for dividend declared in respect of the accounting year of the Transferor Company ended 31st October, 1977.

(4) Every member of the Transferor Company shall in respect of every one Preference share held by him or her in the Transferor Company be entitled to receive from and to be allotted by the Transferee Company without further application one Preference share of the Transferee Company of one hundred rupees fully paid up carrying a fixed cumulative dividend at 9.3% and redeemable at par at Company's option during the period 1st April, 1982 to 31st March, 1985. The Preference Shares to be issued will rank pari passu in all respects with the existing preference shares except as to the rate of dividend and date of redemption.

6. The Transferee Company shall pass the necessary resolutions under section 81 of the Companies Act, 1956, for the purpose of issuing and allotting its equity shares and preference shares to the members of the Transferor Company as provided hereinabove.

7. The Transferor Company shall, with reasonable despatch apply to the High Court, Bombay, for necessary orders for directions for holding meetings of the Transferor Company and for sanctioning this scheme of amalgamation under section 391 of the Companies Act, 1956, and for orders under section 394 for carrying this scheme into effect and for dissolution of the Transferor Company without winding up.

8. The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any directions or any modifications of the scheme which the Court may deem fit to give or make, and may take such action, as they may consider necessary or expedient to settle any question or difficulty arising under this scheme or in regard to its implementation and in all matters connected therewith.

9. This scheme is conditional on and subject to:—

- (a) any requisite consent, approval or permission of the Central Government or any other authority, which by law may be necessary for the implementation of this scheme;
- (b) the necessary resolutions by the Transferee Company under section 81 of the Companies Act as aforesaid;
- (c) agreement by the requisite majorities required by section 391 of the Companies Act, 1956;
- (d) the necessary sanction and orders of the Bombay High Court under sections 391, 392 and 394 of the Companies Act, 1956, as aforesaid, being obtained or passed before the 31st December, 1977 or within such further period or periods as may be agreed between the Directors of the Transferor Company and the Directors of the Transferee Company, and in the event of any such consent, approval, permission, resolution, agreement, sanction or order not being duly so obtained or passed, this scheme shall become null and void.

10. This scheme, although operative from the appointed day shall not become effective until the last of the following dates namely:—

- (a) that on which the last of the aforesaid consents, approvals, permissions, resolutions, agreements, sanctions and orders shall be obtained or passed; and
- (b) that on which certified copies of the Court's orders under sections 391, 392 and 394 of the said Act shall be filed with the Registrar of Companies.

The last of such dates shall be the effective date for the purpose of this scheme.

11. From the appointed day until the effective date the Transferor Company—

- (a) shall stand possessed of all its property and assets of whatsoever nature in trust for the Transferee Company and shall account and be entitled to be indemnified accordingly; and
- (b) shall not without the written concurrence of the Transferee Company alienate, charge or otherwise deal with any of its property or assets.

Sd/- N. R. Bhatnara

SCHEDULE II

KANDIVLI LANDS—FREEHOLD

All those two pieces or parcels of non-agricultural land situate, lying and being within the boundary of Akurli Village in the Taluka Salsette in the registration Sub-District Bandra and Sub-District of Bombay Suburban admeasuring 1,77,451 Sq. Yards or therabouts equivalent to 1,48,349 Sq. Metres or therabouts and bearing survey numbers and areas as follows:—

Survey Nos.	Area in Sq. Yards	Area in Sq. Metres
17 (part)	466.66	390.13
79 (part)	411.11	343.69
80 (part)	13,522.22	11,304.68
81 (part)	74,288.00	62,104.77
82 (part)	20,537.66	17,169.48
83 (part)	11,674.00	9,759.46
84 (part)	19,202.00	16,052.87
86 (part)	29,659.79	24,795.55
94 (part)	7,698.56	6,428.47
TOTAL	1,77,451.00	1,48,349.00

and bounded on the North by the boundary of the village Polsar on the South by 60 feet wide Akurli Road, bearing Survey Nos. 17 (part), 79 (part), 80 (part), 81 (part), 86 (part) and 94 (part) on the East by Survey No. 86 (part) belonging to Mahindra & Mahindra Ltd. and on the West by Survey Nos. 17 (part), 79 (part), 80 (part) and 81 (part) belonging to Mahindra & Mahindra Ltd.

MIDC Nagpur Lands—Lease-hold

All that piece of land known as Plot No.(s) F-1, F-2 and F-1 in the Nagpur Industrial Area within the village limits of Digdoh Taluka, Nagpur District, Nagpur containing by admeasurement 2,55,176 Sq. Metres or therabouts and bounded as follows, that is to say, on or towards the North by Estate Road, on or towards the South by Nagpur-Kingna Road, and the MIDC pipe line along the boundary of the plot on or towards the East by Defence Railway siding and the MIDC pipe line along the boundary of the plot on or towards the West by MIDC Road.

SCHEDULE OF "Solhein" S. Nos. 319-IA1
PART AND 318-I, PART, KODAIKANAL

PART ONE:

ALL THAT piece or parcel of land or ground situate, lying and being at Noyes Road, Kodakanal, Dindigul Registration District, Tamil Nadu in the town of Kodakanal together with the messuages, tenements, dwelling houses, structures, garages, cottages, sheds and outhouses standing thereon bearing R.S. No. 319-A1-part containing by measurement 2,900 Square Metres or therabouts (equivalent to 0 aires 72 cents) and bearing Door No. 11/6, assessment No. 1001, Municipal Ward No. 5—Block No. 13/5 Noyes Road and known as SOLHEIN and bounded as follows, that is to say:

- On or towards the East by R.S. No. 318-1
Part mentioned in Part two;
- On or towards the West by Street Survey
Nos. 412 and 413 Noyes Road;
- On or towards the North by R.S. No. 319-IA1
Part and View Cottage;

On or towards the South by Street Survey No. 412 and
R.S. No. 317—Noyes Road and Buena Vista.

PART TWO:

ALL THAT Piece or parcel of land or ground situate lying and being at Noyes Road, Kodaikanal, Dindigul Registration District, Tamil Nadu in the town of Kodaikanal together with all the trees, plants standing thereon bearing R.S. No. 318-1 part containing by measurement 4,200 Square Metres or thereabouts (equivalent to 1 acre 03 cents) and bounded as follows, that is to say:

On or towards East by R.S. No. 318-1 part;

On or towards the West by R.S. No. 317 and 319-1A1 part, Buena Vista and land mentioned in part one above;

On or towards North by R.S. No. 318-1 part and Sacred Heart College land;

On or towards the South by R.S. No. 312/D and R.S. No. 312/C2, Buena Vista and Government vast dry land.

ALL Plant and machinery and equipment, furnitures and fixtures, telephones, office equipment, motor vehicles, airconditioning equipment, electric installations, other fixed assets and all other moveable properties whatsoever.

Cash and bank balances, stocks, sundry debtors and payments in advance excepting all income-taxes paid in advance. All statutory licences, Import licences, including quota rights, registrations, insurance policies etc.

Sd/- N. R. Bhatnara

**List of Offices/Flats on L/L
BASIS ALL OVER INDIA.**

Sr. No.	Name of the Licensor	Name of the Licensee	Postal Address
1.	Mrs. Kamalavani & Manorana	I.T.C.I.	Show Room No. 33, Sector 26-D, Madhya Marg Chandigarh 160 026.
2.	Mr. D. S. Umashankar	I.T.C.I.	D. S. Umashankar & Sudhakar 3-6, 690 Himayat Nagar Hyderabad 500 029.
3.	Smt. Uttamdevi	I.T.C.I.	Mrs. Uttamdevi C/o. Shri Ranmi Juneja Ashok Avenue, Sapru Marg, Lucknow
4.	Mrs. Shilvati N. Shah	I.T.C.I.	313, 3rd Floor, Business Centre, Relief Road, Ahmedabad.
5.	Mr. R. K. Vashistha	I.T.C.I.	C/o. Fertiliser Corpn. of India Ltd., P. D. Chaliha Road Gauhati 781 003 (Assam)
6.	Mr. N. P. Tripathi	I.T.C.I.	S-384, Greater Kailash New Delhi.
7.	Mr. Vimal Bakshi	I.T.C.I.	C/o. Mr. H. S. Bakshi, Kasmanda House, Flats, Ramjas Road, Narhi, Lucknow, U.P.
8.	Mr. H. R. K. Talwar	I.T.C.I.	House No. 238, Sector 11-A, Chandigarh.
9.	Mr. M. Balan Nair	I.T.C.I.	C/o. Madras Office—3528, Anna-Nagar, Chandigarh.
10.	Mr. S. Jayaram	I.T.C.I.	P. V. House, Kennet Road, Madurai.
11.	Mr. Madhusudan Bagde	I.T.C.I.	Jyoti, 18th Road, Khar, Mumbai 400 052.
12.	Mrs. Allah Durante	I.T.C.I.	Sea Bird, Flat No. 20, Byramjee Jeejeebhoy Road, Bandra, Mumbai 400 050.
13.	Mrs. M. A. Alimohamed	I.T.C.I.	Mrs. M. A. Alimohamed, 39, Casa Blanca Apt., 6th Floor, Flats, No. 61, Culfe Parade, Colaba, Mumbai 400 005.
14.	M & M Ltd.	I.T.C.I.	St. Helen's Court, Flat No. 1, 1st Peddar Rd., Mumbai 400 026.
15.	Mrs. Sharda Pargal	I.T.C.I.	Ganga Jamuna Housing Society, Santacruz-West.

Sr. No.	Name of the Licensor	Name of the Licensee	Postal Address
16.	Mr. P. D. Phadke	I.T.C.I.	C/o. I.T.C.I., Nagpur.
17.	Mrs. J. M. Menon	I.T.C.I.	C/o. Shri V. Balachandran, 28, Beldevère, Bhulabhai Desai Road, Bombay 400 036.
18.	Mahindra Spicer Ltd.	I.T.C.I.	Mahindra Spicer Ltd., Signal Hill Avenue Road, P.O. Box No. 7820, Bombay 400 033.
19.	Mahindra Spicer Ltd.	I.T.C.I.	Gateway Building, Apollo Bunder, Bombay 400 039.
20.	Mr. Gemini Ganesh	I.T.C.I.	Gemini Ganesh, 2A, Nungambakkam High Rd., Madras-3.
21.	I.T.C.I.'s (Own)	I.T.C.I.	International Tractor Co. of India Ltd., Gateway Building, Apollo Bunder, Bombay 400 039.
22.	Tractor House	I.T.C.I.	Tractor House, Mashruwala Marg, Dharampeth Extension, Nagpur-10.

Sd/- N. R. Bhuthena
 Certified to be a True copy
 This 29th day of May, 1978
 Sd/-
 Prothonotary and Senior Master

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 2 OF 1978**

(Connected with Company Application No. 381 of 1977)

Coram :—Bharucha, J.

Date :—9th March, 1978

In the matter of the Companies Act, 1936;

and

In the matter of a Scheme of Amalgamation
of International Tractor Co. of India Ltd.
with

MAHINDRA & MAHINDRA LIMITED,
a company incorporated under the Indian
Companies Act, 1913 and an existing Com-
pany under the Companies Act, 1936, and
having its registered office at Gateway Build-
ing, Apollo Bunder, Bombay 400 039.

..... Petitioner

The Petitioner Company abovenamed, by its Petition herein dated the 17th day of January, 1978 prays for sanctioning of the compromise or arrangement embodied in the Scheme of Amalgamation between the Petitioner Company as the Transferee Company and International Tractor Co. of India Ltd., as the Transferor Company And the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Keshub Mahindra solemnly affirmed on the 17th day of January 1978 verifying the contents of the said Petition AND UPON perusing the affidavit of S. V. Pote solemnly affirmed on the 2nd day of March, 1978 proving service of the notice on the Regional Director to the Company Law Board and publication of the notice in the newspapers of the notice of the hearing of the said Petition AND UPON perusing the order dated the 17th day of November, 1977 passed by this Hon'ble Court in Company Application No. 381 of 1977 whereby the Petitioner was ordered to convene separate class meetings of the holders of 7.8% preference shares and 9.8% preference shares of the Petitioner for the purpose of considering and, if thought fit, approving, with or without modifications the compromise or arrangement embodied in the said scheme of amalgamation between the Petitioner Company as the Transferee Company and International Tractor Company of India Ltd, as the Transferor Company, a copy of the said scheme of amalgamation being annexed to the said Petition AND UPON READING the Report dated the 23rd day of December, 1977 of Keshub Mahindra the Chairman of the aforesaid meetings held on the 22nd day of December, 1977 as to the result of the said meetings AND UPON READING the affidavit of Keshub Mahindra dated the 17th January, 1978 verifying the said report dated 23rd December, 1977 AND UPON HEARING Mr. I. M. Chagla Advocate for the Petitioner Company abovenamed being the Transferee Company in support of the said Petition and Mr. S. D. Parekh, Advocate for International Tractor Company of India Ltd, the Transferor Company in support and Mr. F. H. Taleyarkhan Advocate for the Regional Director, Company Law Board, Bombay who shows cause against the said Petition AND no other person appearing this day either in support of the said petition or to show cause against the same AND it appearing from the aforesaid Report of the Chairman of the said meetings that the said compromise or arrangement embodied in the said Scheme of Amalgamation being exhibit 'A' to the said Petition has been approved unanimously by the holders of the said Preference Shares of the Transferee Company present and voting in person or by proxy at the said

LEAVE to the Petitioners to amend the Petition in terms of the said draft amendment at their own costs and that such amendment to be carried out forthwith THIS COURT DOTH HEREBY SANCTION the said compromise or arrangement embodied in the said Scheme of Amalgamation as amended being Exhibit 'A' to the Petition and set forth in Schedule I herein including the modification that the phrase "close of business hours on 31st October, 1977" in clause one of the said Scheme of Amalgamation be deleted and in its place the phrase "1st November, 1977" be substituted AND DOTH HEREBY DECLARE that the said compromise or arrangement embodied in the said Scheme of Amalgamation set forth in the Schedule I hereto be binding on the Petitioner being the Transferee Company AND THIS COURT DOTH FURTHER ORDER that the entire business and undertaking and the entire estate, rights, title and interest, property claim and demand of International Tractor Company of India Ltd. (hereinafter called the "Transferor Company") specified in Schedule II hereto and all other property, rights, powers, claims, interest, permits, import and other licences quota rights, trade marks and copy rights, if any, of the Transferor Company be transferred to and vest without any further act or deed in Mahindra & Mahindra Ltd. (hereinafter called the "Transferee Company") with effect from the 1st day of November, 1977 (hereinafter called "the appointed day") and accordingly the same shall pursuant to section 394(2) of the Companies Act I of 1956 be transferred to and vest in the Transferee Company herein subject nevertheless to all charges now affecting the same AND THIS COURT DOTH FURTHER ORDER that with effect from the said appointed day all the existing debts, obligations, liabilities and duties of the Transferor Company shall also be transferred without any further act or deed to the Transferee Company and accordingly the same shall pursuant to section 394(2) of the Companies Act I of 1956 be transferred to and become the debts, obligations, liabilities and duties of the Transferee Company from the appointed day AND THIS COURT DOTH FURTHER ORDER that all actions, suits or proceedings now pending by or against International Tractor Company of India Ltd. being the Transferor Company be continued by or against the Petitioner Company being the Transferee Company AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do within 30 days (thirty days) of the date of sealing of this Order cause a certified copy of this Order to be delivered to the Registrar of Companies, Maharashtra, Bombay, for Registration and the Registrar of Companies, Maharashtra, Bombay shall within fourteen days thereafter place all the documents relating to the Transferor Company registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said two companies shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do pay a sum of Rs. 300/- to the Regional Director, Company Law Board, Bombay being his costs of the Petition AND THIS COURT DOTH LASTLY ORDER that any person interested shall be at liberty to apply to this Hon'ble Court in the above matter for any directions as may be necessary WITNESS RAMANLAL MANEKLAL KANTAWALLA, Esquire, Chief Justice of Bombay aforesaid this 9th day of March, 1978.

Seal
Sd/- K. B. Poojari
Sealer
This 28th day of June, 1978.

By the Court
Sd/- N. R. Bhathena
Prothonotary and
Senior Master

Order sanctioning the Scheme of Amalgamation
under sections 391 and 394(2) of the Companies
Act I of 1956 drawn on application of Messrs.
Little & Co., Advocates for the Petitioner.

SCHEDULE I

SCHEME

1. With effect from 1st November, 1977 (hereinafter called "the appointed day") all the property rights and powers and all assets, of whatsoever nature, of International Tractor Company of India Ltd. (hereinafter called "the Transferor Company") shall, without further act or deed, be and stand transferred to and vested in Mahindra & Mahindra Ltd. (hereinafter called "the Transferee Company").

2. With effect from the appointed day, all liabilities and duties of the Transferor Company shall also be and stand transferred, without further act or deed, to the Transferee Company and become the liabilities and duties of the Transferee Company.

3. All proceedings by or against the Transferor Company now pending shall be continued and enforced by or against the Transferee Company.

4. A statement of accounts of the Transferor Company shall be prepared covering the period from 1st October, 1976 to 31st October, 1977.

(1) Every member of the Transferor Company except the Transferee Company shall in respect of every three shares held by him or her in the Transferor Company be entitled as of right to claim and receive from the Transferee Company within 30 days of the Effective Date an allotment of two equity shares in the capital of the Transferee Company of ten rupees credited as fully paid-up. No shares of the Transferee Company will be allotted to it in respect of its shareholding in the Transferor Company.

(2) In respect of every holding of less than three such equity shares or in respect of every holding in excess of three equity shares or exact multiples of 3 equity shares, be entitled as of right to receive within 30 days from the Effective Date an aliquot proportion respectively of equity shares in the capital of the Transferee Company; he shall also be entitled to fractional certificates for the balance amount of the equity shares with the following rights attached thereto.

(a) Any three such fractional certificates issued in respect of equity shares to be allotted pursuant to Clause 5(2) if presented to the Transferee Company within a period of two months from the date of such fractional certificates (or such extended date or dates as the Board of Directors of the Transferee Company may in their discretion from time to time determine) together with such form of application as shall be prescribed by such Board of Directors, duly filled and signed, shall confer the right upon the person presenting the same to the Transferee Company to two such equity shares of Rs. 10/- credited as fully paid-up in the capital of the Transferee Company subject to the right of the Board of Directors in their absolute discretion without assigning any reason to reject such application and to refuse such allotment to any such person (other than a member of the Transferee Company or Transferor Company) not approved by them presenting such fractional certificates and application.

(b) If the fractional certificates so to be issued are not consolidated by the date aforesaid or such extended date as the Board of Directors of the Transferee Company may determine from time to time, the right attached to such certificates shall be determined (save as in this clause provided) and the Board of Directors of the Transferee Company may consolidate and allot new equity shares representing all such unconsolidated fractional certificates to such person or persons as they may think fit, including any one or more of the Directors or any one or more of the Officers of the Transferee Company, on the express understanding that the person or persons to whom such shares will be allotted shall sell

the same at such time or times, and to such person or persons as may be approved by the Board of Directors of the Transferee Company and pay to the Transferee Company the net sale proceeds thereof, provided that the Board of Directors may, without making such allotment of all or some of such new equity shares direct the sale of any or all such new equity shares at such price or prices as may be approved by them and upon receipt of the purchase price in respect of each such sale, allot the share or shares to the name of the approved purchaser. The Transferee Company shall hold the aggregate sale proceeds of all such sales and allotments left over after defraying therefrom all costs, charges and expenses of such sales and allotments on behalf of the persons holding such unconsolidated fractional certificates, and upon delivery to the Transferee Company by each such holder of the unconsolidated fractional certificates pay to him a share in such net sale proceeds and in the dividend from the Appointed Day in the same proportion as the number of such fractional certificates delivered by him bears to the total of such unconsolidated fractional certificates. Upon such sales the said fractional certificates shall be deemed to be cancelled.

(c) The fractional certificates so to be issued shall be negotiable by delivery, but they shall not confer on the holder thereof any right to the payment of a proportionate dividend nor any right in or to a share nor any right of voting until and unless such certificates are consolidated into whole equity shares.

(d) The equity shares of the Transferee Company to be allotted on consolidation of fractional certificates shall rank *pari passu* with new equity shares allotted under sub-clause 5(2).

(3) The new equity shares in the capital of the Transferee Company pursuant to clause 5(2) hereof shall rank for dividend, voting rights and in all other respects *pari passu* with existing equity shares of the Transferee Company, save and except that such new equity shares shall rank for dividend declared in respect of the accounting year of the Transferee Company ended 31st October, 1977.

(4) Every member of the Transferor Company shall in respect of every one Preference Share held by him or her in the Transferor Company be entitled to receive from and to be allotted by the Transferee Company without further application one Preference Share of the Transferee Company of one hundred rupees fully paid up carrying a fixed cumulative dividend at 9.3% and redeemable at par at Company's option during the period 1st April, 1982 to 31st March, 1985. The Preference shares to be issued will rank *pari passu* in all respects with the existing preference shares except as to the rate of dividend and date of redemption.

6. The Transferee Company shall pass the necessary resolutions under section 81 of the Companies Act, 1956, for the purpose of issuing and allotting its equity shares and preference shares to the members of the Transferor Company as provided hereinabove.

7. The Transferor Company shall, with reasonable despatch apply to the High Court, Bombay, for necessary orders for directions for holding meetings of the Transferor Company and for sanctioning this scheme of amalgamation under section 391 of the Companies Act, 1956, and for orders under section 394 for carrying this scheme into effect and for dissolution of the Transferor Company without winding up.

8. The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any directions or any modifications of this scheme which the Court may deem fit to give or make, and may take such action, as they

may consider necessary or expedient to settle any question or difficulty arising under this scheme or in regard to its implementation and in all matters connected therewith.

9. This scheme is conditional on and subject to:

- (a) any requisite consent, approval or permission of the Central Government or any other authority, which by law may be necessary for the implementation of this scheme;
- (b) the necessary resolutions by the Transferee Company under section 81 of the Companies Act as aforesaid;
- (c) agreement by the requisite majorities required by section 391 of the Companies Act, 1956;
- (d) the necessary sanction and orders of the Bombay High Court under sections 391, 392 and 394 of the Companies Act, 1956, as aforesaid, being obtained or passed before the 31st December, 1977 or within such further period or periods as may be agreed between the Directors of the Transferor Company and the Directors of the Transferee Company, and in the event of any such consent, approval, permission, resolution, agreement, sanction or order not being duly so obtained or passed, this scheme shall become null and void.

10. This scheme, although operative from the appointed day shall not become effective until the last of the following dates namely:

- (a) that on which the last of the aforesaid consents, approvals, permissions, resolutions, agreements, sanctions and orders shall be obtained or passed; and
- (b) that on which certified copies of the Court's orders under sections 391, 392 and 394 of the said Act shall be filed with the Registrar of Companies.

The last of such dates shall be the effective date for the purpose of this scheme.

11. From the appointed day until the effective date the Transferor Company:

- (a) shall stand possessed of all its property and assets of whatsoever nature in trust for the Transferee Company and shall account and be entitled to be indemnified accordingly; and
- (b) shall not without the written concurrence of the Transferee Company alienate, charge or otherwise deal with any of its property or assets.

Sd/- N. R. Bhathena

SCHEDULE II

KANDIVLI LANDS—FREEHOLD

All those two pieces or parcels of non-agricultural land situate lying and being within the boundary of Akurli Village in the Taluka Salsette in the registration Sub-District Bandra and Sub-District of Bombay Suburban admeasuring 1,77,451 Sq. Yards or thereabouts equivalent to 1,48,349 Sq. Metres or thereabouts and bearing survey numbers and areas as follows:

Survey Nos.	Area in Sq. Yards.	Area in Sq. Metres
17 (part)	466.66	390.13
79 (part)	411.11	343.69
80 (part)	13,522.22	11,304.68
81 (part)	74,288.00	62,104.77
82 (part)	20,537.66	17,169.48
83 (part)	11,674.00	9,759.46
84 (part)	19,202.00	16,052.87
86 (part)	29,659.79	24,795.55
94 (part)	7,698.56	6,428.47
TOTAL	1,77,451.00	1,48,349.00

and bounded on the North by the boundary of the village Polsar on the South by 60 feet wide Akurli Road, bearing Survey Nos. 17 (part), 79 (part), 80 (part), 81 (part), 86 (part) and 94 (part) on the East by Survey No. 86 (part) belonging to Mahindra & Mahindra Ltd. and on the West by Survey Nos. 17 (part), 79 (part), 80 (part) and 81 (part) belonging to Mahindra & Mahindra Ltd.

MIDC Nagpur Lands—Lease-hold

All that piece of land known as Plot No.(s) F-1, F-2 and F-1 in the Nagpur Industrial Area within the village limits of Digdoh Taluka, Nagpur District, Nagpur containing by admeasurement 2,55,176 Sq. Metres or thereabouts and bounded as follows, that is to say, on or towards the North by Estate Road, on or towards the South by Nagpur-Hingna Road, and the MIDC pipe line along the boundary of the plot on or towards the East by Defence Railway siding and the MIDC pipe line along the boundary of the plot on or towards the West by MIDC Road.

SCHEDULE OF "Solhein" S. Nos. 319-IA1
PART AND 318-1, PART, KODAIKANAL

PART ONE:

ALL THAT piece or parcel of land or ground situate lying and being at Noyes Road, Kodaikanal, Dindigul Registration District, Tamil Nadu in the town of Kodaikanal together with the messuages, tenements, dwelling houses, structures, garages, cottages, sheds and outhouses standing thereon bearing R.S. No. 319-A1-part containing by measurement 2,900 square meters or thereabouts (equivalent to 0 acres, 72 cents) and bearing Door No. 11/6, assessment No. 1001, Municipal Ward No. 5, Block No. 13-5, Noyes Road and known as SOLHEIN and bounded as follows, that is to say:

- On or towards the East by R.S. No. 318-1
Part mentioned in Part two;
- On or towards the West by Street Survey
Nos. 412 and 413 Noyes Road;
- On or towards the North by R.S. No. 319-IA1
Part and View Cottage;
- On or towards the South by Street Survey No. 412 and
R.S. No. 317, Noyes Road and Buena Vista.

PART TWO:

ALL THAT Piece or parcel of land or ground situate lying and being at Noyes Road, Kodalkanal, Dindigul Registration District, Tamil Nadu in the town of Kodalkanal together with all the trees, plants standing thereon bearing R.S. No. 318-1 part containing by measurement 4,200 square metres or thereabouts (equivalent to 1 acre 03 cents) and bounded as follows, that is to say:

On or towards the East by R.S. No. 318-1 part;

On or towards the West by R.S. No. 317 and 319-IAI part,
Buena Vista and land mentioned in part one above;

On or towards the North by R.S. No. 318-1 part and
Sacred Heart College land;

On or towards the South by R.S. No. 312/D and R.S. No. 312/C2,
Buena Vista and Government vast dry land.

ALL Plant and machinery and equipment, furnitures and fixtures, telephones, office equipment, motor vehicles, airconditioning equipment, electric installations other fixed assets and all other moveable properties whatsoever.

Cash and bank balances, stocks, sundry debtors and payments in advance excepting all income-taxes paid in advance. All statutory licences, import licences, including quota rights, registrations, insurance policies etc.

Sd/- N. R. Bhathena

LIST OF OFFICES/FLATS ON L/L
BASIS ALL OVER INDIA

Sr. No.	Name of the Licensor	Name of the Licensee	Postal Address
1.	Mrs. Kamalavani & Manorama	LT.C.I.	Show Room No. 33, Sector 26-D, Madhya Marg, Chandigarh 160 026.
2.	Mr. D. S. Umashankar	LT.C.I.	D. S. Umashankar & Sudhakar 3-6, 690 Himayat Nagar, Hyderabad 500 029.
3.	Smt. Uttamdevi	LT.C.I.	Mrs. Uttamdevi C/o. Shri Ranmi Juneja Ashok Avenue, Sapru Marg, Lucknow.
4.	Mrs. Silavati N. Shah	LT.C.I.	313, 3rd Floor, Business Centre, Relief Road, Ahmedabad.
5.	Mr. R. K. Vashistha	LT.C.I.	C/o. Fertiliser Corpn. of India Ltd. P. D. Chaliha Road, Gauhati 781 003 (Assam).
6.	Mr. N. P. Tripathi	LT.C.I.	S-384, Greater Kailash New Delhi.
7.	Mr. Vimal Bakshi	LT.C.I.	C/o. Mr. H. S. Bakshi, Kasmunda House, Flats, Ramjas Road, Nishi, Lucknow, U.P.

<u>Sr. No.</u>	<u>Name of the Licensor</u>	<u>Name of the Licensee</u>	<u>Postal Address</u>
8.	Mr. H. R. K. Talwar	I.T.C.I.	House No. 238, Sector 11-A, Chandigarh.
9.	Mr. M. Balan Nair	I.T.C.I.	C/o. Madras Office—3528, Anna-Nagar, Chandigarh.
10.	Mr. S. Jayaram	I.T.C.I.	P. V. House, Kennet Road, Madurai.
11.	Mr. Madhusudan Bagde	I.T.C.I.	Jyoti, 18th Road, Khar, Mumbai 400-052.
12.	Mrs. Aliah Durante	I.T.C.I.	Sea Bird, Flat No. 20, Byramjee Jeejeebhoy Road, Bandra, Mumbai 400 050.
13.	Mrs. M. A. Allmohamed	I.T.C.I.	Mrs. M. A. Allmohamed, 39, Casa Blanca Apt., 8th Floor, Flate No. 61, Cuffe Parade, Colaba, Mumbai 400 005.
14.	M & M Ltd.	I.T.C.I.	St. Helen's Court, Flat No. 1, 1st Peddar Rd., Mumbai 400 026.
15.	Mrs. Sharda Pargal	I.T.C.I.	Ganga Jamuna Housing Society, Santacruz-West.
16.	Mr. P. D. Phadke	I.T.C.I.	C/o. I.T.C.I., Nagpur.
17.	Mrs. J. M. Menon	I.T.C.I.	C/o. Shri V. Balachandran, 28, Beldevere, Bhulabhai Desai Road, Mumbai 400 036.
18.	Mahindra Spicers Ltd.	I.T.C.I.	Mahindra Spicers Ltd., Signal Hill Avenue Road, P.O. Box No. 7820 Bombay 400 033.
19.	Mahindra Spicers Ltd.	I.T.C.I.	Gateway Building, Apollo Bunder, Bombay 400 039.
20.	Mr. Gemini Ganesh	I.T.C.I.	Gemini Ganesh, 2A, Nungambakkam High Rd., Madras-3.
21.	I.T.C.I.'s (Own)	I.T.C.I.	International Tractor Co. of India Ltd., Gateway Building, Apollo Bunder, Bombay 400 039.
22.	Tractor House	I.T.C.I.	Tractor House, Mashruwala Marg, Dharampeth Extension, Nagpur - 10.

Sd/-

Certified to be a True copy
This 28th day of June, 1978

Sd/-

Prothonotary and Senior Master

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 623 OF 1984

(Connected with Company Application No. 300 of 1984)

In the matter of the Companies Act, 1956;

and

In the matter of a Scheme of Amalgamation
of MAHINDRA SPICER LIMITED with
MAHINDRA & MAHINDRA LIMITED
a Company having its registered office at
Gateway Building, Apollo Bunder, Bom-
bay 400 039.

MAHINDRA SPICER LIMITED, a Com-
pany incorporated under the Indian Com-
panies Act, 1913, and having its registered
office at Mahindra Spicer Building, J. N.
Heredia Marg, Ballard Estate, Bombay
400 038.

Coram : Parakh J.

Date : 24th April, 1985.

Upon the Petition of Mahindra Spicer Limited the Petitioners abovenamed solemnly declared on the 6th day of November, 1984 praying for sanction of the compromise or arrangement embodied in the Scheme of Amalgamation between the Petitioner Company (hereinafter referred to as "the Transferor Company") and Mahindra and Mahindra Ltd. (hereinafter referred to as "the Transferee Company") and for other consequential relief as in the said Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the affidavit of Zarir Batliwala solemnly affirmed on the 6th day of November, 1984 verifying the contents of the said Petition AND UPON PERUSING the affidavit of Harish Baburao Kadam solemnly affirmed on the 7th day of January 1985 proving the publication in the newspapers of the notice of hearing of the said Petition AND UPON PERUSING the Order dated the 16th day of August, 1984 passed by the Hon'ble Court in Company Application No. 300 of 1984 whereby the Transferor Company was ordered to convene a meeting of the equity shareholders of the Transferor Company for the purpose of considering and, if thought fit, approving with or without modifications the compromise or arrangement as embodied in the Scheme of Amalgamation being Exhibit D to the Affidavit of Zarir Batliwala, dated the 10th day of August, 1984 in support of the said Company Application No. 300 of 1984 AND UPON PERUSING the extracts of advertisements in the issues of "Indian Express" dated the 17th day of September, 1984 AND "Loksatta" dated the 17th day of September, 1984 both containing the notice convening the said meeting AND UPON READING the affidavit of Keshub Mahindra dated the 12th day of October, 1984 proving issue and publication of the notice convening the said meeting AND UPON READING the report dated the 30th day of October, 1984 of Keshub Mahindra the Chairman of the meeting of the equity shareholders of the Transferor Company held on the 16th day of October, 1984 as to the result of the said meeting AND UPON READING the affidavit of the said Keshub Mahindra dated the 30th day of October, 1984 verifying the said report dated the 30th day of October, 1984 AND UPON HEARING Shri A. M. Satalvad (with Shri D. B. Shroff) advocate instructed by Messrs. Little

& Co. Advocates for the Transferor Company in support of the said Petition and Shri T. R. Rao, Advocate for the Regional Director, Company Law Board, Bombay, who appears pursuant to notice under Section 394-A of the Companies Act, 1956 and Shri S. C. Mittal, the Official Liquidator, who appears in person and no other person appearing this day either in support of the said Petition or to show cause against the same AND it appearing from the aforesaid Report of the Chairman of the said meeting that the said compromise or arrangement embodied in the said Scheme of Amalgamation has been approved by a majority of not less than three-fourths in value of the members present and voting either in person or by proxy in the said meeting THIS COURT DOTH HEREBY sanction the said compromise or arrangement embodied in the said Scheme of Amalgamation being the Exhibit 'E' to the Petition and as set forth in Schedule I hereto AND DOTH HEREBY DECLARE the said Scheme of Amalgamation to be binding on all the members of the Transferor Company and on the Transferee Company AND THIS COURT DOTH FURTHER ORDER that all the undertakings, properties, rights and powers and all assets of whatsoever nature and all other interests, rights or powers of whatsoever kind, nature or description of Mahindra Spleer Ltd. the Transferor Company inclusive of the properties specified in Schedule II hereto be transferred to and vest without any further act or deed in Mahindra & Mahindra Ltd. the Transferee Company with effect from the 3rd day of April, 1984 (hereinafter called "the Appointed Day") and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company herein subject nevertheless to all charges if any now affecting the same AND THIS COURT DOTH FURTHER ORDER that with effect from the said Appointed Day all the existing debts, liabilities and duties of the Transferor Company shall also be transferred without any further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the debts, liabilities and duties of the Transferee Company from the Appointed Day AND THIS COURT DOTH FURTHER ORDER that all proceedings now pending by or against the Transferor Company be continued and enforced by or against the Transferee Company AND THIS COURT DOTH FURTHER ORDER that all the workmen and other employees in the service of the Transferor Company immediately before the transfer of the Transferor Company's undertakings shall become the workmen and employees of the Transferee Company on the terms contained in the Scheme of Amalgamation sanctioned herein and as set forth in Schedule I hereto AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do within 30 days after the date of sealing of this order cause a certified copy of this order to be delivered to the Registrar of Companies, Maharashtra, Bombay, for registration and on such certified copy being so delivered and on the dissolution of the Transferor Company the Registrar of Companies, Maharashtra, Bombay, shall place all the documents relating to the Transferor Company registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said two Companies shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the direction in so far as dissolution of the Transferor Company without winding up be and it is hereby reserved AND THIS COURT DOTH FURTHER ORDER that the parties to the compromise or arrangement embodied in the Scheme of Amalgamation sanctioned herein or any other persons interested shall be at liberty to apply to this Hon'ble Court in the above matter for any directions that may be necessary AND THIS COURT DOTH HEREBY record that the statement made by the Transferor Company through their said Advocate that the Transferor Company shall carry out the conditions as per the Order dated the 16th day of April, 1985 imposed by the Central Government under Section 23 of the Monopolies and Restrictive Trade Practices Act, 1969 AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay a sum of Rs. 300/- (Rupees three hundred) to the Regional Director, Company Law Board, Bombay, being the costs

of the Petition WITNESS Shri MADHUKAR HIRALAL KANIA, Acting Chief Justice at Bombay, aforesaid this 24th day of April, 1985.

By the Court
Sd/- K. B. Poojari
For Prothonotary & Senior Master

SEAL

Sd/- S. V. Satam

Sealer

This 31st day of May, 1985.

Order sanctioning the Scheme of Amalgamation
under Sections 391 and 394(2) of the Companies
Act I of 1956 drawn on application of Messrs.
Little & Co., Advocates for the Petitioner having
their office at Central Bank Building, 3rd Floor,
Mahatma Gandhi Road, Fort, Bombay 400 023.

SCHEDULE I

SCHEME OF AMALGAMATION OF MAHINDRA SPICER LIMITED WITH MAHINDRA & MAHINDRA LIMITED

1. With effect from 3rd April, 1984 (hereinafter called "the Effective Day") all the undertakings, properties, rights and powers and all assets, of whatsoever nature, of Mahindra Spicer Limited (hereinafter called "the Transferor Company") shall, without further act or deed, be and stand transferred to and vested in Mahindra & Mahindra Limited (hereinafter called "the Transferee Company").

2. With effect from the Effective Day all liabilities and duties of the Transferor Company shall also be and stand transferred, without further act or deed, to the Transferee Company.

3. All the workmen and other employees in the service of the Transferor Company immediately before the transfer of the Transferor Company's undertakings under this Scheme shall without further act or deed become the workmen and employees of the Transferee Company on the basis that:

- (a) their services shall have been continuous and shall not have been interrupted by reason of such transfer;
- (b) the terms and conditions of service applicable to the said workmen and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer; and
- (c) in the event of retrenchment of any of such workmen the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the workmen shall have been continuous and shall not have been interrupted by reason of such transfer.

4. All proceedings pending by or against the Transferor Company shall be continued and enforced by or against the Transferee Company.

5. A statement of accounts of the Transferor Company shall be prepared covering the period from 1st August, 1983 to 2nd April, 1984. Income or profits accruing to the undertakings of the Transferor Company or losses incurred by such undertakings on and from the Effective Day shall, for all purposes, be the income profits and/or losses, as the case may be, of the Transferee Company.

6. (1) Every member of the Transferor Company except the Transferee Company shall in respect of every ten shares of ten rupees each credited as fully paid held by him or her in the Transferor Company on the Completion of Procedures Date (as hereinafter defined) be entitled as of right to receive from the Transferee Company within 30 days of the Completion of Procedures Date an allotment of one equity share in the capital of the Transferee Company of ten rupees each credited as fully paid. No shares of the Transferee Company will be allotted to it in respect of its shareholding in the Transferor Company.

(2) Every member of the Transferor Company except the Transferee Company shall in respect of every holding of less than ten such equity shares or in respect of every holding in excess of ten equity shares or exact multiples of ten equity shares, be entitled as of right to receive instead of or together with the allotment of shares mentioned in sub-clause (1) hereof fractional certificates proportional to their holdings below or above ten equity shares or exact multiple thereof, with the following rights attached thereto:

- (a) Any ten such fractional certificates if presented to the Transferee Company within a period of two months from the date of such fractional certificates (or such extended date or dates as the Board of Directors of the Transferee Company may in their discretion from time to time determine) together with such form of application as shall be prescribed by such Board of Directors duly filled in and signed, shall confer the right upon the person presenting the same to the Transferee Company to one equity share of ten rupees each credited as fully paid in the capital of the Transferee Company subject to the right of the Board of Directors in their absolute discretion without assigning any reason to reject such application and to refuse such allotment to any such person (other than a member of the Transferee Company or Transferor Company) not approved by them presenting such fractional certificates and application.
 - (b) If the fractional certificates so to be issued are not consolidated by the date aforesaid or such extended date as the Board of Directors of the Transferee Company may determine from time to time, the right attached to such certificates shall be determined (save as in this clause provided) and the Board of Directors of the Transferee Company may consolidate and allot new equity shares representing all such unconsolidated fractional certificates to such persons as they may think fit, including any one or more of the Directors or officers of the Transferee Company, on the express understanding that the allottee(s) shall sell the same at such time or times, and to such person or persons, as may be approved by the Board of Directors of the Transferee Company and pay to the Transferee Company the net sale proceeds thereof; provided that the Board of Directors may, without making such allotment of all or some of such new equity shares, direct the sale of any such or all such new equity shares at such price or prices as may be approved by them and upon receipt of the purchase price in respect of each such sale, allot the share or shares to the name of the approved purchaser. The Transferee Company shall hold the net sale proceeds of all such sales and allotments left after defraying therefrom all costs, charges and expenses of such sales and allotments on behalf of the persons holding such unconsolidated fractional certificates, and upon delivery to the Transferee Company by each such holder of the unconsolidated fractional certificates pay to him a share in such net sale proceeds in the same proportion as the number of such fractional certificates delivered by him bears to the total of such unconsolidated fractional certificates. Upon such sale the said fractional certificates shall be deemed to be cancelled.
 - (c) The fractional certificates to be issued shall be negotiable by delivery, but they shall not, save as aforesaid, confer on the holder thereof any right to the payment of a proportionate dividend nor any right in or to a share nor any right of voting until and unless such certificates are consolidated into whole equity shares.
 - (d) The equity shares of the Transferee Company to be allotted on consolidation of fractional certificates shall rank *pari passu* with the new equity shares under sub-clause (1) hereof.
- (3) The new equity shares in the capital of the Transferee Company allotted pursuant to this scheme shall rank for dividend, voting rights and in all other respects *pari passu* with existing equity shares of the Transferee Company, save and except that such new equity shares shall rank for dividends declared in respect of the accounting year of the Transferee Company ending 31st October, 1934 proportionately from the Effective Day only.

(4) If at any time between the Effective Day and the Completion of Procedures Date the Transferee Company shall capitalise profits by way of a bonus issue of equity shares to its members the number of shares and/or fractional certificates as the case may be to be allotted by the Transferee Company to each member of the Transferor Company pursuant to the provisions of clauses 6(1) and 6(2) hereof shall be such number of shares and/or fractional certificates as is arrived at by multiplying the number of shares and/or fractional certificates to which he shall but for the provisions of this sub-clause become entitled, by a fraction the numerator of which shall be the total number of equity shares of the Transferee Company constituting its subscribed equity share capital immediately after the allotment of such bonus shares and the denominator of which shall be the total number of equity shares of the Transferee Company constituting its subscribed equity share capital immediately before the allotment of such bonus shares.

7. Every debenture issued or allotted by the Transferor Company whether the debenture certificate in respect thereof has been issued or not shall on and from the Completion of Procedures Date be deemed to be a debenture of the same amount issued or allotted by the Transferee Company having attached to such debentures the same rights, privileges, terms and conditions including the same right to receive interest and redemption of principal; and any reference to the Transferor Company in the debenture, debenture trust deed, letter of offer or other document evidencing the rights, privileges, terms and conditions of the debenture shall be construed for these purposes as a reference to the Transferee Company provided that any reference in such document to the assets of the Transferor Company offered as security for the redemption of the debentures and interest thereon shall be construed for those purposes as a reference to the assets pertaining to those undertakings of the Transferor Company as are vested in the Transferee Company by virtue of clause 1 hereof.

8. The Transferor Company and the Transferee Company shall with reasonable despatch apply to the High Court of Judicature at Bombay for necessary orders or directions for holding class meetings of the Transferor Company and the Transferee Company and for sanctioning this Scheme of Amalgamation under Section 391 of the Companies Act, 1956, and for orders under Section 394 for carrying for this Scheme into effect and for dissolution of the Transferor Company without winding up.

9. The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any directions or any modifications of the scheme which the appropriate Government authorities and/or the Court may deem fit to give or make, and may take such action as they may consider necessary or expedient to settle any question or difficulty arising under this scheme or in regard to its implementation and in all matters connected therewith.

10. The Scheme is conditional upon and subject to:

- (a) any requisite consent approval or permission of the Central Government or any other authority which by law may be necessary for the implementation of this scheme;
- (b) the necessary resolution by the Transferee Company under Section 81 of the Companies Act, 1956;
- (c) agreement by the requisite majorities required by Section 391 of the Companies Act, 1956;
- (d) the necessary sanction and orders of the High Court of Judicature at Bombay under Sections 391, 392 and 394 of the Companies Act, 1956, as aforesaid, being obtained or passed before 31st December, 1984 or within such further period as may be agreed between the Directors of the Transferor Company and the Directors of the Transferee Company;

and in the event of any such consent, approval, permission, resolution, agreement, sanction or order not being duly so obtained or passed, this scheme shall become null and void.

11. For the purpose of this scheme, the Completion of Procedures Date shall be the last of the following dates namely:

- (a) that on which the last of the aforesaid consents, approvals, permissions, resolutions, agreements, sanctions and orders shall be obtained or passed; and
- (b) that on which certified copies of the Court's orders under Sections 391, 392 and 394 of the said Act shall be filed with the Registrar of Companies.

12. From the Effective Day until the Completion of Procedures Date the Transferor Company:

- (a) shall stand possessed of all its property and assets of whatsoever nature in trust for the transferee Company and shall account and be entitled to be indemnified accordingly; and
- (b) shall not without the written concurrence of the Transferee Company alienate, charge or otherwise deal with any of its property or assets otherwise than in the ordinary course of business.

SCHEDULE II

1. ALL that piece or parcel of leasehold land or ground, hereditaments and premises known as Plot No. 89/1 in the Nasik Industrial Area, within the village limits of Satpur Taluka Nasik District, Nasik, containing by admeasurement 85,000 square metres or thereabouts and bounded as follows, that is to say:

On or towards the North by—Plot No. 88/1

On or towards the South by—Plot No. 89

On or towards the East by—Estate Road

On or towards the West by—Plot No. 89

together with buildings, erections, structures and godowns standing thereon.

2. ALL that piece or parcel of leasehold land or ground, hereditaments and premises in the island of Bombay situate on the Parel Sewree Reclamation Estate bearing Plot No. 4, containing by admeasurement eleven thousand and seventy-seven square yards and six-ninths of another square yards or thereabouts equivalent to 9,262.72 Square meters, or thereabouts bounded as follows, that is to say, on or towards the North by other land belonging to the Trustees of Port of Bombay and leasehold to D. Abraham and Sons (Private) Limited on or towards the South by the Bombay Port Trust Railway beyond that by Signal Hill Avenue on or towards the East by a Port Trust Road and on or towards the West by the Bombay Port Trust Railway which said piece of land is registered in the Books of the Collector of Land Revenue Bombay under Cudastiral Survey No. 288A/145—(Parel-Sewree Division) and is situate in the Registration—Sub District of Bombay City and Bombay Suburban together with buildings, erections, structures and godowns standing thereon.

3. ALL that piece or parcel of leasehold land situate on and forming Plot No. 34 of the Ballard Estate of the Trustees of the Port of Bombay in the Island and Registration Sub-District of Bombay containing by admeasurement 704 4/9ths square yards or thereabouts together with the buildings and erections situate thereon known as "Mahindra Spicer Building" which said premises are assessed by the Collector of Land Revenue under New Survey No. 9779 and Cudastiral Survey No. 34/1187 Fort Division and are assessed by the Assessor and Collector of Municipal Rates and Taxes under A Ward Nos. 2683(7) and Street No. 15, and bounded as follows: that is to say on or towards the North by J. N. Heredia Marg, on or towards the South, East and West by land of the Trustees of the Port of Bombay.

4. MADH BUNGALOW:

ALL that piece or parcel of land or ground with coconut trees standing thereon situate lying and being on Yerangal Road, Sub-District, Bandras BSD in the Island of Madh, Greater Bombay, containing by admeasurement two thousand five hundred and seventy square yards or thereabouts forming part of a larger piece of land admeasuring twelve thousand square yards or thereabouts bearing Serial No. 121 Survey No. 109 Hissa No. 6 New Hissa No. 109-5 together with the buildings and erection situate thereon and bounded on or towards the East by the remaining land of the Joseph Angelo DeSilva and Beatrice DeSilva and beyond that by the aforesaid Yerangal Road (Ergul), on or towards the West by the Arabian Sea, on or towards the South by the land of Jagannath Lakri Sutar and on or towards the North by the land of the Trustees of the late Haji Jusub Rahim and Gabriel Rodrigues and Antone Ventur Koli Fisherman.

5. UNION PARK:

ALL that piece or parcel of land or ground together with the messuages, tenements or dwelling house standing thereon forming part of land known as Pali Hill Estate situate lying and being at Pali Hill, Bandra in the Registration District and Sub-District of Bombay City and Bombay Suburban containing by admeasure-

ment 611.211 square metres (731 square yards) or thereabouts being Plot No. 19 of the Private Scheme of the Union Land and Building Society Ltd., and being part or portion of land bearing Survey No. 15 Hissa No. 2 and part of Survey No. 326A, 322 and 289A and bounded as follows: that is to say on or towards the North by plot No. 21 of the said private scheme on or towards the South by plot No. 17 of the said Scheme on or towards the East by Plot No. 20 of the said Scheme and on or towards the West by road of the said Scheme and bears C.T.S. No. D/1111/18 and H Ward No. 2219(9), 19, Union Park.

6. "SHANKER KRIPA"

Ownership Flat No. 7 situate on the 1st floor of a building known as "Shanker Kripa" belonging to Shanker Kripa Co-operative Housing Society Ltd. and situate on Plot No. 201, Opp. Sitaram Prakash High School, Wadala, Bombay 400 031.

7. List of Offices/Flats/Show-rooms/Godowns/Garages on Tenancy/lease/ licence basis situate all over India.

Sl. No.	Description	Name of the Landlord/Licenser/Lessor
1.	'Puja', Plot No. 4, Survey No. 119/ A/4-B/2, Vadala, Togore Nagar, Nasik-Fune Road, Nasik 422 006	Mrs. P. J. Sthalekar
2.	3, 'Matru Apartment' Racca Colony, Shatanpur Road, Nasik 422 002.	Mr. Hosi N. Patel
3.	'Parishram', Plot No. 163A, Nasik Co-op. Housing Society, Near P.T.C. School, Trimbak Road, Nasik 422 007.	Mr. M. M. Sarbhukan
4.	'Villa Prabha' Plot No. 1363-V, 4, Tidke Colony, Trimbak Road, Nasik 422 002.	Mrs. Prabha G. Wavare
5.	'Kamal Bhuvan', 2nd Floor, 480, College Road, Sharanpur Road, Nasik 422 002.	Mrs. K. W. Ahirrao Mr. Suresh W. Ahirrao Mr. Pravin W. Ahirrao Mr. Kishor W. Ahirrao
6.	Flat No. 7, 'Matru Apartment', Racca Colony, Sharanpur Road, Nasik 422 002.	Mr. A. A. Nerlekar
7.	Sujeevan Housing Society, New Pandit Colony, Gangapur Road, Nasik 422 002.	Mrs. Indira S. Wagh
8.	1366, Pandit Colony, Sharanpur Road, Nasik 422 002.	Miss L. P. Bagul
9.	Flat No. 6, 2nd Floor, Breach Candy Garden, Off Bhulabhai Desai Road, Bombay 400 026.	Z. M. Investments & Traders Pvt. Ltd. J. P. Hotels Pvt. Ltd.
10.	Flat No. 4, Nikhil Villa, 2nd Floor, Carmichael Road, Bombay 400 026.	Mahindra Builders

Sr. No.	Description	Name of the Landlord/Lessor/ Lessor
11.	Flat No. 6 (with a garage), Nikhil Villa, 3rd Floor, Carmichael Road, Bombay 400 026.	Mahindra Builders
12.	Ben Nevis, Flat No. E-1, 4th Floor, Bhulabhai Desai Road, Bombay 400 026.	Smt. Vijaykuverba Former Maharani of Morvi
13.	Ben Nevis, Flat No. E-3, 4th Floor, Bhulabhai Desai Road, Bombay 400 026.	Smt. Vijaykuverba, Former Maharani of Morvi
14.	Flat No. B-03, Ground Floor, Parijat, Plot No. 5, Bandra (West) Reclamation, Bandra (West), Bombay 400 050.	Dr. N. B. Purohit
15.	Flat No. 1, Blooming Heights, Pali Hill, Bandra, Bombay 400 050.	Mrs. Rita A. Datta
16.	Flat No. E-7, 4th Floor, Shanti Co-op. Hsg. Society Ltd., Moghal Lane, Mahim, Bombay 400 016.	Mrs. Meena M. Kurta
17.	Flat No. 64, 6th Floor, Band Stand Bldg. No. 'B', Kane Road, Band Stand, Bandra, Bombay 400 050.	Mrs. Bilques Begum
18.	'Fair Lawn', Juhu Tara Road, Juhu Beach, Bombay 400 049.	Mr. Jimmy Jal Gazdar
19.	Flat No. A/3, 'Mayfair Gardens', Little Gibbs Road, Malabar Hill, Bombay 400 006.	New India Assurance Co. Ltd.
20.	Ground Floor, A/156, Defence Colony, New Delhi.	Mr. P. N. Kapoor
21.	Flat No. 77N, 7th Floor, 'Balaku', 64, Lake Road, Calcutta 700 029.	Mr. Samarchandra Nath
22.	22/4, Abhiramapuram, 3rd Street, Madras 600 018.	Mr. S. S. Palanissappan
23.	Garage No. 9, 5/19 Laxmi Building, 11, Khetwadi Lane, Bombay 400 004.	Seth Lalji Dayal Amalgamated Trust
24.	Flat No. 3-75C, 3rd Floor, Park Street, Calcutta 700 016.	Mr. Ramkumar Arora
25.	Flat No. 4-75C, 3rd Floor, Park Street, Calcutta 700 016.	Ms. Geeta Devi Kanodia
26.	P-29 Mission Row, Extension Ground Floor, Calcutta.	Mr. Chandmohan Saha and Mr. Gour Mohan Saha

<u>Sr. No.</u>	<u>Description</u>	<u>Name of the Landlord/Lessor/Lessor</u>
27.	12B, Netaji Subhas Road, Calcutta.	New India Assurance Company Ltd. Life Insurance Corporation of India, Calcutta
28.	No. 7477, Gali Toli Mill, Ram Nagar, New Delhi.	Mrs. Rambai Mittal
29.	1st Floor, Delhi Cinema Building, Asaf Ali Road, New Delhi 110 002.	Krishna Mohan (Pvt.) Ltd.
30.	Ground Floor, Bharat Insurance Building, Modat Road (Anna Salai), Madras 2.	91(1/15) Life Insurance Corporation of India, 102, Mount Road, Madras 600 002.

Certified to be a True Copy
This 31st day of May, 1983
Sd/-
Prothonotary and Senior Master

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 624 OF 1984

(Connected with Company Application No. 301 of 1984)

In the matter of the Companies Act, 1936;

and

In the matter of a Scheme of Amalgamation of **MAHINDRA SPICER LIMITED**, a Company, having its registered office at Mahindra Spicer Building, J. N. Heredia Marg, Ballard Estate, Bombay 400 038 with **MAHINDRA & MAHINDRA LIMITED**.

MAHINDRA & MAHINDRA LIMITED,
a Company, incorporated under the Indian
Companies Act, 1913, and having its re-
gistered office at Gateway Building, Apollo
Bunder, Bombay 400 039.

.....Petitioners

Coram : Parekh J.

Date : 24th April, 1985.

UPON the Petition of Mahindra & Mahindra Ltd., the Petitioner Company above named solemnly declared on the 6th day of November, 1984 praying for the sanction of the compromise or arrangement embodied in the Scheme of Amalgamation between the Petitioner Company (hereinafter referred to as "the Transferee Company") and Mahindra Spicer Ltd. (hereinafter referred to as "the Transferor Company") And for other consequential relief as in the Petition mentioned AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Madhav Durga Dhume solemnly affirmed on the 6th day of November, 1984 verifying the contents of the said Petition AND UPON READING the affidavit of Harish Baburao Kadam solemnly affirmed, on the 7th day of January, 1985 showing the publication in the newspapers of the notice of the hearing of the said Petition AND UPON READING the order dated the 16th day of August, 1984 passed by this Hon'ble Court in Company Application No. 301 of 1984 whereby the Transferee Company was ordered to convene meeting of the equity shareholders of the Transferee Company for the purpose of considering and, if thought fit, approving, with or without modifications the compromise or arrangement embodied in the said Scheme of Amalgamation between the Transferee Company and the Transferor Company annexed as Exhibit D to the affidavit of Madhav Durga Dhume, solemnly affirmed on the 10th day of August, 1984 in support of the said Company Application AND UPON perusing the extracts of advertisement in the issues of "Indian Express" dated the 17th day of September, 1984 and "Loksatta" dated the 17th day of September, 1984 both containing the notice of the convening of the said meeting AND UPON READING the affidavit of Keshub Mahindra solemnly affirmed on the 12th day of October, 1984 proving issue and publication of the notice of the convening of the said meeting AND UPON READING the Report dated the 30th day of October, 1984 of Keshub Mahindra, the Chairman of the aforesaid meeting held on the 15th day of October, 1984 as to the result of the said meeting AND UPON READING the affidavit of the said Keshub Mahindra dated the 30th day of October, 1984 verifying the said Report dated the 30th day of October, 1984 AND UPON HEARING Shri P. H. J. Taleyarkhan (with Shri Avasia) Advocate instructed by Messrs. Little & Co.

Advocates for the Transferee Company in support of the said Petition and Shri T. R. Rao, advocate, for the Regional Director, Company Law Board, Bombay, who appears pursuant to notice given under Section 394-A of the Companies Act, 1956 AND no other person entitled to appear appearing this day either in support of the said Petition or to show cause against the same AND it appearing from the aforesaid Report of the Chairman of the said meeting that the said compromise or arrangement embodied in the said Scheme of Amalgamation being Exhibit 'E' to the said Petition has been approved by a majority of not less than three fourth in value of the members of the Transferee Company present and voting in person or by proxy at the said meeting THIS COURT DOTH HEREBY sanction the said compromise or arrangement embodied in the said Scheme of Amalgamation being Exhibit 'E' to the Petition and as set forth in Schedule I hereto AND DOTH HEREBY DECLARE the said compromise or arrangement embodied in the said Scheme of amalgamation as set forth in Schedule I hereto to be binding on all the members of the Transferee Company and on the Transferor Company AND THIS COURT DOTH FURTHER ORDER that all the undertaking, properties, rights and powers and all assets of whatsoever nature and all other interests, rights or powers of whatsoever kind, nature or description of Mahindra Spicer Ltd. the Transferor Company including of the properties specified in Schedule II hereto be transferred to and vest without further act or deed in Mahindra & Mahindra Ltd. the Transferee Company with effect from the 3rd day of April, 1984 (hereinafter called "the Appointed Day") and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company herein subject nevertheless to all charges if any now affecting the same AND THIS COURT DOTH FURTHER ORDER that with effect from the said appointed day all the existing debts, liabilities and duties of the Transferor Company shall also be transferred without any further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the debts, liabilities and duties of the Transferee Company from the Appointed Day AND THIS COURT DOTH FURTHER ORDER that all proceedings now pending by or against the Transferor Company be continued and enforced by or against the Transferee Company AND THIS COURT DOTH FURTHER ORDER that all the workmen and other employees now in the service of the Transferor Company immediately before the transfer of the Transferor Company's undertaking shall become the workmen and employees of the Transferee Company on the terms contained in the said Scheme of Amalgamation sanctioned herein and as set forth in Schedule I hereto AND THIS COURT DOTH FURTHER ORDER that the Transferee Company do within 30 days (thirty days) from the date of sealing of this order cause a certified copy of this order to be delivered to the Registrar of Companies, Maharashtra, Bombay, for registration and on such certified copy being so delivered and on the dissolution of the Transferor Company the Registrar of companies, Maharashtra, Bombay, shall place all the documents relating to the Transferor Company registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said two Companies shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that the parties to the compromise or Arrangement embodied in the Scheme of Amalgamation sanctioned herein or any other persons interested shall be at liberty to apply to this Hon'ble Court in the above matter for any directions that may be necessary AND THIS COURT DOTH HEREBY RECORD that the statement made by the transferee Company through its said Advocate that the Transferee Company shall carry out the conditions as per the Order dated the 16th day of April, 1985 imposed by the Central Government under Section 23 of the Monopolies and Restrictive Trade Practices Act, 1969 AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay a sum of Rs. 300/- (Rupees three hundred) to the Regional Director, Company Law Board, Bombay, being his costs of the Petition WITNESS Shri MADHUKAR

HIRALAL KANIA Acting Chief Justice at Bombay, aforesaid this 24th day of April, 1985.

Sd/-

By the Court

For Prothonotary & Senior Master

SEAL.

Sd/-

Souler

This 31st day of May, 1985.

Order sanctioning the Scheme of Amalgamation under Sections 391 and 394(2) of the Companies Act 1 of 1956 drawn on application of Messrs. Little & Co., Advocates for the Petitioners having their office at Central Bank Building, 3rd Floor, Mahatma Gandhi Road, Fort, Bombay 400 023.

SCHEDULE I**SCHEME OF AMALGAMATION OF MAHINDRA SPICER LIMITED**

WITH

MAHINDRA & MAHINDRA LIMITED

1. With effect from 3rd April, 1984 (hereinafter called "the Effective Day") all the undertakings properties rights and powers and all assets, of whatsoever nature, of Mahindra Spicer Limited (hereinafter called "the Transferor Company") shall, without further act or deed, be and stand transferred to and vested in Mahindra & Mahindra Limited (hereinafter called "the Transferee Company").

2. With effect from the Effective Day all liabilities and duties of the Transferor Company shall also be and stand transferred, without further act or deed, to the Transferee Company.

3. All the workmen and other employees in the service of the Transferor Company immediately before the transfer of the Transferor Company's undertakings under this Scheme shall without further act or deed become the workmen and employees of the Transferee Company on the basis that:

- (a) their services shall have been continuous and shall not have been interrupted by reason of such transfer;
- (b) the terms and conditions of service applicable to the said workmen and other employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer; and
- (c) in the event of retrenchment of any of such workmen the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the workmen shall have been continuous and shall not have been interrupted by reason of such transfer.

4. All proceedings pending by or against the Transferor Company shall be continued and enforced by or against the Transferee Company.

5. A statement of accounts of the Transferor Company shall be prepared covering the period from 1st August, 1983 to 2nd April, 1984. Income or profits accruing to the undertakings of the Transferor Company or losses incurred by such undertakings on and from the Effective Day shall, for all purposes, be the income profits and/or losses, as the case may be, of the Transferee Company.

6. (1) Every member of the Transferor Company except the Transferee Company shall in respect of every ten shares of ten rupees each credited as fully paid held by him or her in the Transferor Company on the Completion of Procedures Date (as hereinafter defined) be entitled as of right to receive from the Transferee Company within 30 days of the Completion of Procedures Date an allotment of one equity share in the capital of the Transferee Company of ten rupees each credited as fully paid. No shares of the Transferee Company will be allotted to it in respect of its shareholding in the Transferor Company.

(2) Every member of the Transferor Company except the Transferee Company shall in respect of every holding of less than ten such equity shares or in respect of every holding in excess of ten equity shares or exact multiple of ten equity shares, be entitled as of right to receive instead of or together with the allotment of shares mentioned in sub-clause (1) hereof fractional certificates proportional to their holdings below or above ten equity shares or exact multiple thereof, with the following rights attached thereto:

- (a) Any ten such fractional certificates if presented to the Transferee Company within a period of two months from the date of such fractional certificates (or such extended date or dates as the Board of Directors of the Transferee Company may in their discretion from time to time determine) together with such form of application as shall be prescribed by such Board of Directors duly filled in and signed, shall confer the right upon the person presenting the same to the Transferee Company to one equity share of ten rupees each credited as fully paid in the capital of the Transferee Company subject to the right of the Board of Directors in their absolute discretion without assigning any reason to reject such application and to refuse such allotment to any such person (other than a member of the Transferee Company or Transferor Company) not approved by them presenting such fractional certificates and application.
- (b) If the fractional certificates so to be issued are not consolidated by the date aforesaid or such extended date as the Board of Directors of the Transferee Company may determine from time to time, the right attached to such certificates shall be determined (save as in this clause provided) and the Board of Directors of the Transferee Company may consolidate and allot new equity shares representing all such unconsolidated fractional certificates to such persons as they may think fit, including any one or more of the Directors or officers of the Transferee Company; on the express understanding that the allottee(s) shall sell the same at such time or times, and to such person or persons, as may be approved by the Board of Directors of the Transferee Company and pay to the Transferee Company the net sale proceeds thereof; provided that the Board of Directors may, without making such allotment of all or some of such new equity shares, direct the sale of any such or all such new equity shares at such price or prices as may be approved by them and upon receipt of the purchase price in respect of each such sale, allot the share or shares to the name of the approved purchaser. The Transferee Company shall hold the net sale proceeds of all such sales and allotments left over after defraying therefrom all costs, charges and expenses of such sales and allotments on behalf of the persons holding such unconsolidated fractional certificates, and upon delivery to the Transferee Company by each such holder of the unconsolidated fractional certificates pay to him a share in such net sale proceeds in the same proportion as the number of such fractional certificates delivered by him bears to the total of such unconsolidated fractional certificates. Upon such sale the said fractional certificates shall be deemed to be cancelled.
- (c) The fractional certificates to be issued shall be negotiable by delivery, but they shall not, save as aforesaid, confer on the holder thereof any right to the payment of a proportionate dividend nor any right in or to a share nor right of voting until and unless such certificates are consolidated into whole equity shares.
- (d) The equity shares of the Transferee Company to be allotted on consolidation of fractional certificates shall rank *pari passu* with the new equity shares under sub-clause (1) hereof.
- (3). The new equity shares in the capital of the Transferee Company allotted pursuant to this scheme shall rank for dividend, voting rights and in all other respects *pari passu* with existing equity shares of the Transferee Company, save and except that such new equity shares shall rank for dividends declared in respect of the accounting year of the Transferee Company ending 31st October, 1984 proportionately from the Effective Day only.

(4) If at any time between the Effective Day and the Completion of Procedures Date the Transferee Company shall capitalise profits by way of a bonus issue of equity shares to its members the number of shares and/or fractional certificates as the case may be to be allotted by the Transferee Company to each member of the Transferor Company pursuant to the provisions of clauses 6(1) and 6(2) hereof shall be such number of shares and/or fractional certificates as is arrived at by multiplying the number of shares and/or fractional certificates to which he shall but for the provisions of this sub-clause become entitled, by a fraction the numerator of which shall be the total number of equity shares of the Transferee Company constituting its subscribed equity share capital immediately after the allotment of such bonus shares and the denominator of which shall be the total number of equity shares of the Transferee Company constituting its subscribed equity share capital immediately before the allotment of such bonus shares.

7. Every debenture issued or allotted by the Transferor Company whether the debenture certificate in respect thereof has been issued or not shall on and from the Completion of Procedures Date be deemed to be a debenture of the same amount issued or allotted by the Transferee Company having attached to such debentures the same rights, privileges, terms and conditions including the same right to receive interest and redemption of principal; and any reference to the Transferor Company in the debenture, debenture trust deed, letter of offer or other document evidencing the rights, privileges, terms and conditions of the debenture shall be construed for these purposes as a reference to the Transferee Company provided that any reference in such document to the assets of the Transferor Company offered as security for the redemption of the debentures and interest thereon shall be construed for those purposes as a reference to the assets pertaining to those undertakings of the Transferor Company as are vested in the Transferee Company by virtue of clause 1 hereof.

8. The Transferor Company and the Transferee Company shall with reasonable despatch apply to the High Court of Judicature at Bombay for necessary orders or directions for holding class meetings of the Transferor Company and the Transferee Company and for sanctioning this Scheme of Amalgamation under Section 391 of the Companies Act, 1956, and for orders under Section 394 for carrying for this Scheme into effect and for dissolution of the Transferor Company without winding up.

9. The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any directions or any modifications of the scheme which the appropriate Government authorities and/or the Court may deem fit to give or make, and may take such action as they may consider necessary or expedient to settle any question or difficulty arising under this scheme or in regard to its implementation and in all matters connected therewith.

10. The Scheme is conditional upon and subject to:

- (a) any requisite consent approval or permission of the Central Government or any other authority which by law may be necessary for the implementation of this scheme;
- (b) the necessary resolution by the Transferee Company under Section 81 of the Companies Act, 1956;
- (c) agreement by the requisite majorities required by Section 391 of the Companies Act, 1956;
- (d) the necessary sanction and orders of the High Court of Judicature at Bombay under Sections 391, 392 and 394 of the Companies Act, 1956, as aforesaid, being obtained or passed before 31st December, 1984 or within such further period as may be agreed between the Directors of the Transferor Company and the Directors of the Transferee Company;

and in the event of any such consent, approval, permission, resolution, agreement, sanction or order not being duly so obtained or passed, this scheme shall become null and void.

11. For the purpose of this scheme, the Completion of Procedures Date shall be the last of the following dates namely:

- (a) that on which the last of the aforesaid consents, approvals, permissions, resolutions, agreements, sanctions and orders shall be obtained or passed; and
- (b) that on which certified copies of the Court's orders under Sections 391, 392 and 394 of the said Act shall be filed with the Registrar of Companies.

12. From the Effective Day until the Completion of Procedures Date the Transferor Company:

- (a) shall stand possessed of all its property and assets of whatsoever nature in trust for the Transferee Company and shall account and be entitled to be indemnified accordingly; and
- (b) shall not without the written concurrence of the Transferee Company alienate, charge or otherwise deal with any of its property or assets otherwise than in the ordinary course of business.

SCHEDULE I-

1. ALL that piece or parcel of leasehold land or ground, hereditaments and premises known as Plot No. 89/1 in the Nasik Industrial Area, within the village limits of Satpur Taluka, Nasik District, Nasik, containing by admeasurement 85,000 square metres or thereabouts and bounded as follows, that is to say:

On or towards the North by—Plot No. 88/1

On or towards the South by—Plot No. 89

On or towards the East by—Estate Road

On or towards the West by—Plot No. 89

together with buildings, erections, structures and godowns standing thereon.

2. ALL that piece or parcel of leasehold land or ground, hereditaments and premises in the island of Bombay situate on the Parel Sewree Reclamation Estate bearing Plot No. 4 containing by admeasurement eleven thousand and seventy-seven square yards and six-ninths of another square yards or thereabouts equivalent to 9262.72 square meters or thereabouts bounded as follows, that is to say, on or towards the North by other land belonging to the Trustees of Port of Bombay and leasehold to D. Abraham and Sons (Private) Limited on or towards the South by the Bombay Port Trust Railway beyond that by Signal Hill Avenue on or towards the East by a Port Trust Road and on or towards the West by the Bombay Port Trust Railway which said piece of land is registered in the books of the Collector of Land Revenue Bombay under Cadastral Survey No. 288A/145—(Parel-Sewree Division) and is situate in the Registration Sub-District of Bombay City and Bombay Suburban together with buildings, erections, structures and godowns standing thereon.

3. ALL that piece or parcel of leasehold land situate on and forming Plot No. 34 of the Ballard Estate of the Trustees of the Port of Bombay in the Island and Registration Sub-District of Bombay containing by admeasurement 704 4/9ths square yards or thereabouts together with the buildings and erections situate thereon known as "Mahindra Spicer Building" which said premises are assessed by the Collector of Land Revenue under New Survey No. 9779 and Cadastral Survey No. 34/1187, Fort Division and are assessed by the Assessor and Collector of Municipal Rates and Taxes under A Ward Nos. 2683(7) and Street No. 15, and bounded as follows: that is to say on or towards the North by J. N. Heredia Marg, on or towards the South, East and West by land of the Trustees of the Port of Bombay.

4. MADH BUNGALOW:

ALL that piece or parcel of land or ground with coconut trees standing thereon situate lying and being on Yerangal Road, Sub-District Bandra as BSD in the Island of Madh, Greater Bombay, containing by admeasurement two thousand five hundred and seventy square yards or thereabouts forming part of a larger piece of land admeasuring twelve thousand square yards or thereabouts bearing Serial No. 121, Survey No. 109, Hissa No. 6, New Hissa No. 109-5 together with the buildings and erection situate thereon and bounded on or towards the East by the remaining land of the Joseph Angelo DeSilva and Beatrice DeSilva and beyond that by the aforesaid Yerangul Road (Ergal), on or towards the West by the Arabian Sea, on or towards the South by the land of Jagannath Lakri Sutar and on or towards the North by the land of the Trustees of the late Haji Jusub Rahim and Gabriel Rodriguez and Antone Ventur Koli Fishierman.

5. UNION PARK:

ALL that piece or parcel of land or ground together with the messuages tenements or dwelling house standing thereon forming part of land known as Pali Hill Estate situate lying and being at Pali Hill Bandra in the Registration District and Sub-District of Bombay City and Bombay Suburban containing by admeasure-

ment 611.211 square metres (731 square yards) or thereabouts being Plot No. 19 of the Private Scheme of the Union Land and Building Society Ltd., and being part or portion of land bearing Survey No. 15, Hissa No. 2 and part of Survey No. 326A, 322 and 289A and bounded as follows: that is to say on or towards the North by Plot No. 21 of the said private scheme on or towards the South by Plot No. 17 of the said Scheme on or towards the East by Plot No. 20 of the said Scheme and on or towards the West by road of the said Scheme and bears C.T.S. No. D/ 1111/18 and 11 Ward No. 2219(9), 19, Union Park.

6. 'Shanker Kripa'

Ownership Flat No. 7 situate on the 1st floor of a building known as "Shanker Kripa" belonging to Shanker Kripa Co-operative Housing Society Ltd. and situate on Plot No. 201, Opp. Sitaram Prakash High School, Wadala, Bombay-400 031.

7. List of Offices/Flats/Show-room/Godowns/Garage on Tenancy/lease/licence basis situate all over India.

S. No.	Description	Name of the Landlord/Licensor/Lessor
1	2	3
1.	'Puja', Plot No. 4, Survey No. 119/A/4-B/2, Vadala, Tugite Nagar, Nasik-Pune Road, Nasik 422 006	Mrs. P. J. Sthalckar
2.	5, 'Matru Apartment' Racca Colony, Sharanpur Road, Nasik 422 002.	Mr. Hosi N. Patel
3.	'Parishram', Plot No. 163A, Nasik Coop. Housing Society, Near P.T.C. School Trimbak Road, Nasik 422 007.	Mr. M. M. Sarbhukan
4.	'Villa Prabhu', Plot No. 1363V, 4, Tidke Colony, Trimbak Road, Nasik 422 002.	Mrs. Prabha G. Wavare
5.	'Kamal Bhuvan', 2nd Floor, 480, College Road, Sharanpur Road, Nasik 422 002.	Mrs. K. W. Ahirrao Mr. Suresh W. Ahirrao Mr. Pravin W. Ahirrao Mr. Kishor W. Ahirrao
6.	Flat No. 7, 'Matru Apartment, Racca Colony, Sharanpur Road, Nasik 422 002.	Mr. A. A. Nerlekar
7.	Sujeewan Housing Society, New Pandit Colony, Gangapur Road, Nasik 422 002.	Mrs. Indira S. Wagh
8.	1366, Pandit Colony, Sharanpur Road, Nasik 422 002.	Miss L. P. Bugul
9.	Flat No. 6, 2nd Floor, Breach Candy Garden & Off Bhulabhai Desai Road, Bombay 400 026.	Z. M. Investments & Traders Pvt. Ltd. J. P. Hotels Pvt. Ltd.

S. No.	Description	Name of the Land Lord/Licensor/Lessor
1	2	3
10.	Flat No. 4, Nikhil Villa, 2nd Floor, Carmichael Road, Bombay 400 026.	Mahindra Builders
11.	Flat No. 6 (with a garage) Nikhil Villa, 3rd Floor, Carmichael Road, Bombay 400 026.	Mahindra Builders
12.	Ben Nevis, Flat No. E-1, 4th floor, Bhulabhai Desai Road, Bombay 400 026.	Smt. Vijaykuverba Former Maharani of Morvi
13.	Ben Nevis, Flat No. E-3, 4th floor, Bhulabhai Desai Road, Bombay 400 026.	Smt. Vijaykuverba, Former Maharani of Morvi
14.	Flat No. B-03, Ground floor, Parijat, Plot No. 5, Bandra (West) Reclamation, Bandra (West), Bombay 400 050.	Dr. N. B. Purohit
15.	Flat No. 1, Blooming Heights, Pali Hill, Bandra, Bombay 400 050	Mrs. Rita A. Datta
16.	Flat No. E-7, 4th floor, Shanti Coop. Hsg. Society Ltd. Maghul Lane, Mahim, Bombay 400 016.	Mrs. Meena M. Kumbh
17.	Flat No. 64, 6th floor, Band Stand Bldg. No. 'B', Kane Road, Band Stand, Bandra, Bombay 400 050.	Mrs. Bliques Begum
18.	'Fair Lawn', Juhu Tara Road, Juhu Beach, Bombay 400 049.	Mr. Jimmy Jal Gazdar
19.	Flat No. A/3, 'Mayfair Gardens', Little Gibbs Road, Malabar Hill, Bombay 400 006.	New India Assurance Co. Ltd.
20.	Ground Floor, A/156, Defence Colony, New Delhi.	Mr. P. N. Kapoor
21.	Flat No. 7/N, 7th Floor, 'Balaka', 64, Lake Road, Calcutta 700 029.	Mr. Samarchandra Nath
22.	22/4, Abhiramapuram, 3rd Street, Madras 600 018.	Mr. S. S. Palaniappan
23.	Garage No. 9.5/19, Laxmi Building, 11, Khetwadi Lane, Bombay 400 004.	Seth Lalji Dayal Amalgamated Trust

S. No.	Description	Name of the Land Lord/Licensor/Lessor
1	2	3
24.	Flat No. 3-75C, 3rd Floor, Park Street, Calcutta 700 016.	Mr. Ramkumar Arora
25.	Flat No. 4-75C, 3rd floor, Park Street, Calcutta 700 016.	Ms. Geeta Devi Kapoor
26.	P-29 Mission Row, Extension Ground Floor, Calcutta.	Mr. Chandmohan Saha and Mr. Gourmohan Saha
27.	12B Netaji Subhas Road, Calcutta.	New India Assurance Company Ltd. Life Insurance Corporation of India, Calcutta
28.	No. 7477, Gali Tel Mill, Ram Nagar, New Delhi.	Mrs. Rambai Mittal
29.	1st Floor, Delite Cinema Building, Asaf Ali Road, New Delhi 110 002.	Krishna Mohan (Pvt.) Ltd.
30.	Ground Floor, Bharat Insurance Building, 91(1/18), Mount Road, (Anna Salai), Madras 600 002.	Life Insurance Corporation of India 102, Mount Road, Madras 600 002.

Sd/-

Certified to be a true copy,

This 31st day of May 1985.

Sd/-

Prothonotary and Senior Master

Rajesh Shah & Co

Certified Copy Rs. 16.50
 Additional Rs. 6.00
 Total Rs. 22.50

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 296 OF 2002

CONNECTED WITH

COMPANY APPLICATION NO. 90 of 2002

In the matter of the Companies Act, 1956 (1
 of 1956);

AND

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

AND

In the matter of Scheme of Arrangement of
 e-Mahindra Solutions Limited, Mahindra
 Auto Specialities Limited, Mahindra
 Alternative Technologies Limited and
 Mahindra Information Technology Services
 Limited with Mahindra & Mahindra Limited

MAHINDRA & MAHINDRA LIMITED a)

Company incorporated under the Indian)

Companies Act, VII of 1913, having its)

registered office at Gateway Building, Apollo)

Bunder, Mumbai - 400 001

)..... Petitioner

Coram : D. K. Deshmukh J.

Date : 18th April 2002

UPON the Petition of Mahindra & Mahindra Limited, the Petitioner Company
 abovenamed, presented to this Honorable Court on 19th day of March 2002 for
 sanction of the Scheme of Arrangement of e-Mahindra Solutions Limited

(hereinafter referred to as 'First Transferor Company' or 'e-Mahindra'), Mahindra Auto Specialities Limited (hereinafter referred to as 'Second Transferor Company' or 'MASL'), Mahindra Alternative Technologies Limited (hereinafter referred to as 'Third Transferor Company' or 'MATL') (all the three transferor company hereinafter together referred to as "the Transferor Companies") and Mahindra Information Technology Services Limited (hereinafter referred to as 'MITS') with Mahindra & Mahindra Limited (hereinafter referred to as "the Transferee Company" or "M&M" or "the Petitioner Company") AND for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Uday Y. Phadke, the Authorised Signatory of the Petitioner Company solemnly affirmed on 19th day of March 2002, verifying the said Petition AND UPON READING the affidavit of Mr. Sharad Joshi, Assistant Advocate of M/s Rajesh Shah & Co Advocates for the Petitioner dated 11th day of April 2002 proving service of the notice of the date of hearing of the Petition upon the Regional Director, Department of Company Affairs, Maharashtra Mumbai, and also proving publication of the notice of the date of hearing of the Petition in the issue of the "Free Press Journal" dated 28th day of March 2002 and "Navshakti" dated 28th day of March 2002 AND UPON READING the order dated 8th day of February 2002, made by this Hon'ble Court in Company Application No. 90 of 2002 whereby the Petitioner Company was directed to convene meeting of the Equity Shareholders of the Petitioner Company to consider and approve the proposed Scheme of Arrangement AND by the said order dated 8th day of February 2002 convening and holding of the meeting of the Secured and Unsecured Creditors of the Petitioner Company to consider and approve the proposed Arrangement embodied in the Scheme of Arrangement was dispensed with in view of the averment made in Para (31) of the affidavit in support the Company Application No. 90 of 2002 AND by the said order dated 8th day of February 2002, the procedure prescribed under Section 101 (2) of the Companies Act, 1956 was dispensed with, in view of the averment made in para (32) of the affidavit in support of Company Application No. 90 of 2002 and the Petitioner

Company was directed to move a Special Resolution in the meeting of the Equity shareholders of the Petitioner Company pursuant to the provisions of Section 100 of the Companies Act, 1956 for confirming the utilisation of the share premium account resulting in reduction of share capital AND UPON READING the affidavit of Mr. Keshub Mahindra, Chairman of the meeting of the Equity Shareholders of the Petitioner Company dated 2nd day of February 2002 proving publication of the notice convening meeting of the Equity Shareholders of the Petitioner Company in the issue of the Free Press Journal dated 15th day of February 2002 and Navshakti dated 15th day of February 2002 and also proving despatch of individual notices to the Equity Shareholders of the Petitioner Company AND UPON READING the Report dated 19th day of March 2002 of Mr. Keshub Mahindra, the Chairman of the meeting of the Equity Shareholders of the Petitioner Company as to the results of the said meeting AND UPON READING the affidavit of Mr. Keshub Mahindra, Chairman of the meeting dated 19th day of March 2002 verifying the said Report AND IT APPEARS from the report of the Chairman of the meeting of Equity Shareholders of the Petitioner Company that the arrangement embodied in the Scheme of Arrangement being Exhibit "K" to the said Petition and in Schedule I hereto has been approved by the requisite majority of the Equity Shareholders of the Petitioner Company present and voting at the meeting and further the Equity Shareholders also approved the special resolution confirming the utilisation of the share premium account of the Petitioner Company resulting in capital reduction under Section 100 of the Companies Act, 1956 AND AT THIS STAGE the Petitioner Company through their Counsel moved the Hon'ble Court for amendment in the Petition in terms of the draft amendment for utilisation of the share premium account resulting in the reduction of capital under Section 100 of the Companies Act, 1956 of the Petitioner Company AND the Hon'ble Court granted leave to amend the Petition in terms of the draft amendment and permitting the Petitioner Company to annex the 'FORM OF MINUTE' proposed to be registered under section 103(1)(b) of the Companies Act, 1956 as Exhibit 'O' to the Petition and annexed as Schedule II hereto quantifying the exact amount of the utilisation of the share premium account by Rs 480,21,64,261 (Rupees four hundred and eighty

crores, twenty-one lacs, sixty four thousand, two hundred and sixty one only) AND UPON HEARING Mr. Virag Tulzapurkar, Counsel, with Mr. Rajesh I. Shah, instructed by M/S Rajesh Shah & Co, Advocates for the Petitioner Company and Mr. C.J Joy with Mr. M.M Goswami Panel Counsel, instructed by Mr. R.P Singh, Company Prosecutor for the Regional Director, Department of Company Affairs, Maharashtra, Mumbai, and submits to the Order of the Court AND no other person or persons entitled to appear at the hearing of the petition appearing this day either in support of the petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION the said Arrangement embodied in the Scheme of Arrangement of e-Mahindra Solutions Limited, Mahindra Auto Specialities Limited, Mahindra Alternative Technologies Limited and Mahindra Information Technology Services Limited with Mahindra & Mahindra Limited, the Petitioner Company as set forth in Exhibit "K" to the said Petition and in the Schedule I hereto and also the 'Form of Minute' being Exhibit "O" to the said Petition and annexed hereto as Schedule II AND THIS COURT DOTH HEREBY DECLARE that the said Scheme of Arrangement be binding on the Petitioner Company, e-Mahindra, MASL, MATL & MITS and also their respective members/shareholders and creditors AND THIS COURT DOTH ORDER that subject to the provisions of this Scheme as specified hereinafter and with effect from 31st day of March, 2002 (hereinafter referred to as "Appointed Date") the entire business and undertakings of all the Transferor Companies including all the debts, liabilities, duties and obligations of the Transferor Companies of every description and also including, without limitation, all the movables and immovable properties and assets of the Transferor Companies comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred

to and vested in the Petitioner Company so as to become the properties of the Petitioner Company and provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Companies and the Petitioner Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise AND THIS COURT DOTH FURTHER ORDER ^{that} ~~all~~ debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date whether provided for or not in the book of account of the Transferor Companies and all other liabilities which may accrue or arise after the Appointed date but which relate to the period on or upto the day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Petitioner Company including any encumbrance on the assets of the Transferor Companies or any income earned from these assets AND THIS COURT DOTH FURTHER ORDER all legal proceedings of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations, shall be continued and /or enforced until the Effective Date as desired by the Petitioner Company and as and from the Effective Date shall be continued and enforced by or against the Petitioner Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies, AND THIS COURT DOTH FURTHER ORDER subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to which the Transferor Companies are a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Petitioner Company as the case may be, and may be enforced by or against the Petitioner Company as fully and effectually as if, instead of the Transferor Companies, the Petitioner Company had been a party thereto, AND THIS COURT DOTH FURTHER ORDER all the willing employees of the Transferor Companies in service on the date immediately preceding the Effective Date shall be deemed to be employed in the Petitioner Company on such date and such employees shall be employed with the Petitioner Company without any break or interruption in service for the purpose of

calculating retirement benefits and on the terms and conditions not less favourable than those subsisting with reference to the Transferor Companies as on the said date AND THIS COURT DOTH FURTHER ORDER THAT on the Scheme becoming effective

- (i) the shares of e-Mahindra held by MITS shall stand cancelled; and
- (ii) the share capital of MITS shall be reduced by cancellation of the cost of its shareholding in e-Mahindra in the ratio of issued equity share capital of MITS as compared to the Net Asset Values of MITS as appearing in the books of accounts of MITS on the Appointed Date; and
- (iii) the shares held by the Petitioner Company in MITS shall be cancelled to the extent of reduction in the share capital of MITS as specified in sub-clause (ii) hereinabove; and
- (iv) the shares held by the Petitioner Company in MASL and MATL, being the entire equity share capital of MASL and MATL, appearing in the books of account of the Petitioner Company as on the Appointed Date will stand cancelled; and
- (v) no shares or consideration shall be issued / paid by the Petitioner Company, in respect of the amalgamations under the Scheme; and accounting treatment prescribed in clause 11 of the Scheme shall be followed;

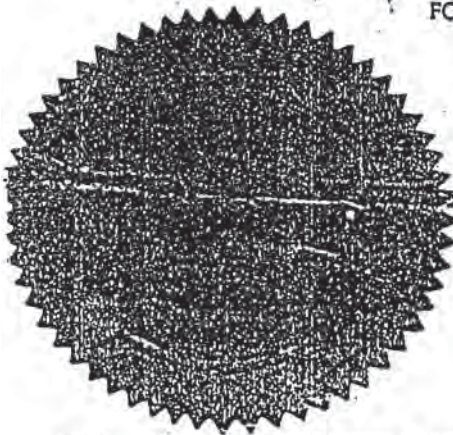
AND THIS COURT DOTH FURTHER ORDER that the balance in share premium account in the books of the Petitioner Company shall be utilised to write off and shall stand reduced by an amount equivalent to the balance appearing under the head "miscellaneous expenditure account (to the extent not written off or adjusted)" of the Petitioner Company as on September 30, 2001 of Rs.374,07,25,622 (Rupees three hundred seventy four crores seven lakhs twenty five thousand six hundred and twenty two only) plus any further accretions thereto till the Appointed Date but not in excess of Rs.500,00,00,000 (Rupees five hundred crores

only) in aggregate to the end and intent that such write-off shall be deemed to be an adjustment in accordance with and for all purposes relating to the provisions of the Act and the share premium account in the books of the Petitioner Company shall be further utilised to write-off and shall stand further reduced by an amount equivalent to the investment in the shares cancelled of MITS, MATL and MASL pursuant to this Scheme, and the application and reduction of the share premium account, as above, aggregating to Rs 480,21,64,261 (Rupees four hundred and eighty crores, twenty-one lacs, sixty four thousand, two hundred and sixty one only) shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital AND THIS COURT FURTHER ORDER that the Order sanctioning the Scheme of Arrangement be deemed to be an Order confirming the reduction of share premium account of the Petitioner Company within the meaning of Section 102 of the Act AND THIS COURT DOTH FURTHER ORDER that the 'FORM OF MINUTE' being Exhibit "O" to the Petition and Schedule II hereto be registered in terms of Section 103(1)(b) of the Companies Act, 1956 AND THIS COURT FURTHER ORDER that the reduction of the share premium account of the Petitioner Company, in terms of and pursuant to the clause 5 of the Scheme of Arrangement, resolved on by the Special Resolution of the members of the Petitioner Company is confirmed AND THIS COURT FURTHER ORDER that the Petitioner Company do within 30 days from the date of sealing of the order cause a certified copy of the order sanctioning the Scheme of Arrangement and reduction of share premium account of the Petitioner Company to be filed with the Registrar of Companies, Maharashtra, Mumbai, for registration under section 391 and section 103(1)(b) of the Companies Act, 1956 And the Registrar of Companies, Maharashtra, Mumbai, shall transfer all the files documents and records relating to the Transferor Companies and register with him on the file kept with him in relation to the Petitioner Company and files, documents and records of the Transferor Companies and the Petitioner Company shall be consolidated accordingly AND THIS COURT DOTH FURTHER ORDER that liberty is reserved to the Petitioner Company and to all other persons

interested in this Petition to apply to this Honourable Court herein as and when occasion may arise for any direction that may be necessary to ensure that the said Scheme of Arrangement is fully and effectually carried out AND THIS COURT DOTH LASTLY ORDER the Petitioner Company do pay a sum of Rs.1500/- (Rupees One thousand five hundred only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said Petition WITNESS SHRI CHUNILAL KARSANDAS THAKKER Chief Justice at Bombay aforesaid this 18th day of April 2002.

BY THE COURT,

FOR PROTHONOTARY & SENIOR MASTER



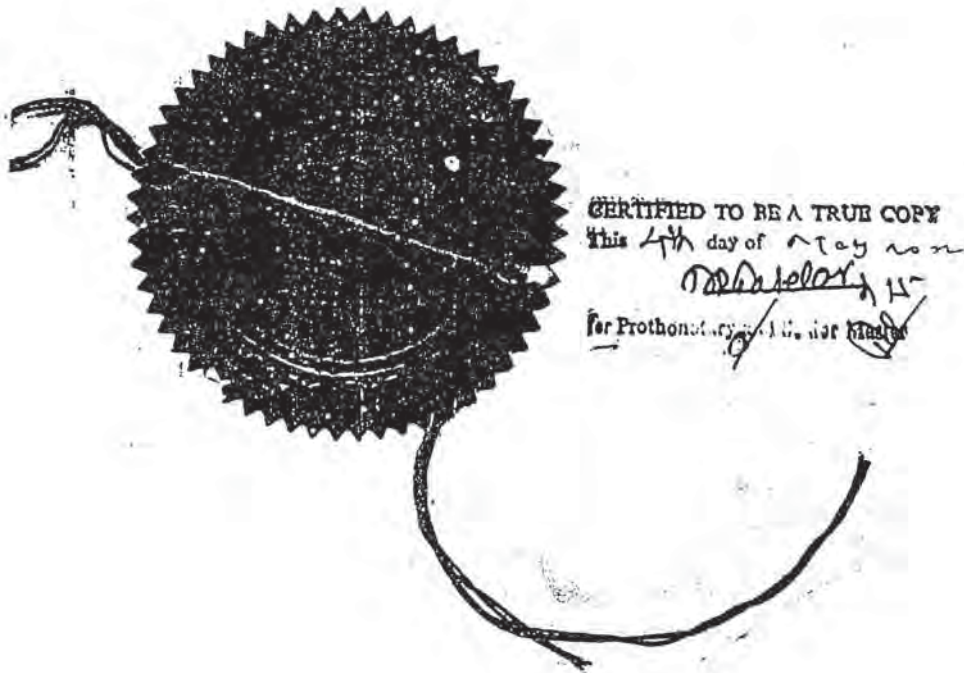
Dated this 3rd day of May, 2002

ORDER sanctioning the Scheme of Arrangement)
 Under Section 391 to 394 of the Companies Act, 1956)
 drawn on the Application By M/s. RAJESH SHIAH)
 & CO., Advocates for the Petitioner, having their)
 office at 16, Oriental Building, 30, Nagindas)
 Master Road, Flora Fountain, Mumbai 400 001.)

SCHEDULE — II

FORM OF MINUTE

The share premium account of Mahindra & Mahindra Limited as on the Appointed Date specified in the Scheme of Arrangement shall stand reduced by Rs 480,21,64,261 (Rupees four hundred and eighty crores, twenty-one lacs, sixty four thousand, two hundred and sixty one only).



Rajesh Shah & Co.
 Certified Copy Rs. 14.25
 Additional Rs. 6.00
 Total Rs. 20.25

176/2002
 176/2002

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 224 OF 2002

CONNECTED WITH

COMPANY APPLICATION NO. 86 of 2002

In the matter of the Companies Act, 1956 (1
 of 1956);

AND

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

AND

In the matter of Scheme of Arrangement of
 e-Mahindra Solutions Limited, Mahindra
 Auto Specialities Limited, Mahindra
 Alternative Technologies Limited and
 Mahindra Information Technology Services
 Limited with Mahindra & Mahindra Limited

e-MAHINDRA SOLUTIONS LIMITED a)

Company incorporated under the Companies)

Act, 1956, having its registered office at)

Gateway Building, Apollo Bunder, Mumbai -)

400 001

)..... Petitioner

Coram : D. K. Deshmukh J.

Date : 11th April, 2002:

UPON the Petition of e-Mahindra Solutions Limited, the Petitioner Company
 abovenamed, presented to this Honorable Court on 25th day of February 2002 for
 sanction of the Scheme of Arrangement of e-Mahindra Solutions Limited (hereinafter

referred to as the 'Petitioner Company' or 'e-Mahindra' or the 'First Transferor Company'), Mahindra Auto Specialities Limited (hereinafter referred to as the 'Second Transferor Company' or 'MASL'), Mahindra Alternative Technologies Limited (hereinafter referred to as the 'Third Transferor Company' or 'MATL') (all the Transferor Company hereinafter together referred to as the "Transferor Companies") and Mahindra Information Technology Services Limited (hereinafter referred to as the 'MITS') with Mahindra & Mahindra Limited (hereinafter ~~referred to as~~ referred to as "the Transferee Company" or "M&M") AND for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Ullas N. Yargop, the Director of the Petitioner Company solemnly affirmed on 25th day of February 2002, verifying the said Petition AND UPON READING the affidavit of Mr. Sharad Joshi, Assistant Advocate of M/s Rajesh Shah & Co Advocates for the Petitioner Company dated 4th day of April 2002 proving service of the notice of the date of hearing of the Petition to the Official Liquidator, High Court, Bombay and the Regional Director, Department of Company Affairs, Maharashtra, Mumbai, and despatch of notice of hearing of the Petition to all the unsecured creditors of the Petitioner Company whose consent have not been obtained AND UPON READING the order dated 1st day of March, 2002 passed in the above Petition publication of the notice of the date of hearing of the Petition in the newspapers was dispensed with in view of the consent given by all the shareholders and 98.94% Unsecured creditors of the Petitioner Company AND UPON READING the order dated 8th day of February 2002, made by this Hon'ble Court in Company Application No. 86 of 2002 whereby the convening of the meeting of the Equity Shareholders of the Petitioner Company to consider and approve the proposed Scheme of Arrangement was dispensed with in view of the consent given by all the Equity Shareholders of the Petitioner Company, which is annexed as Exhibit 'H-1 to H-8' to the affidavit in support of the Company Application No. 86 of 2002 and the convening and holding of the meeting of the Unsecured Creditors of the Petitioner Company to consider and approve the proposed Arrangement embodied in the Scheme of Arrangement was dispensed with in view of the consent given by 2 unsecured creditors totaling to 98.94% annexed as Exhibit 'I-1

and 1-2' to the Affidavit in support of Company Application No.86 of 2002 and averment made in para 30 of the Affidavit in support of Company Application No.86 of 2002 AND UPON READING the Report dated 4th day of April, 2002 of the Official Liquidator, High Court, Bombay, wherein he has opined that the affairs of the Petitioner company have not been conducted in a manner prejudicial to the interest of its members or the public interest AND UPON HEARING Mr. Virag Tulzapurkar, Counsel alongwith Mr. Rajesh Shah instructed by M/S Rajesh Shah & Co., Advocates for the Petitioner Company and Mr. C.J Joy with Mr. M.M Goswami Panel Counsel instructed by Mr. R.P Singh, Company Prosecutor for Regional Director, Department of Company Affairs, Maharashtra, Mumbai, who submits to the order of the Court and Mr. B.L.Meena, Official Liquidator, High Court, Bombay who also submits to the Order of the Court AND no other person or persons entitled to appear at the hearing of the petition appearing this day either in support of the petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION the said Arrangement embodied in the Scheme of Arrangement of e-Mahindra Solutions Limited, Mahindra Auto Specialities Limited, Mahindra Alternative Technologies Limited, the Transferor Companies and Mahindra Information Technology Services Limited, with Mahindra & Mahindra Limited, the Transferee Company (as set forth in Exhibit "G" to the said Petition and also in the Schedule hereto); AND THIS COURT DOTH HEREBY DECLARE that the said Scheme of Arrangement be binding on the Petitioner Company, MASL, MATL, MITS and M&M, the Transferee Company and also their respective members/shareholders and creditors AND THIS COURT DOTH ORDER that subject to the provisions of this Scheme as specified hereinafter and with effect from 31st day of March, 2002 (hereinafter referred to as the Appointed Date), the entire business and undertakings of the Petitioner Company including all the debts, liabilities, duties and obligations of the Petitioner Company of every description and also including, without limitation, all the movables and immovable properties and assets of the Petitioner Company comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, authorisations, if any, rights and benefits of all agreements and all other interests,

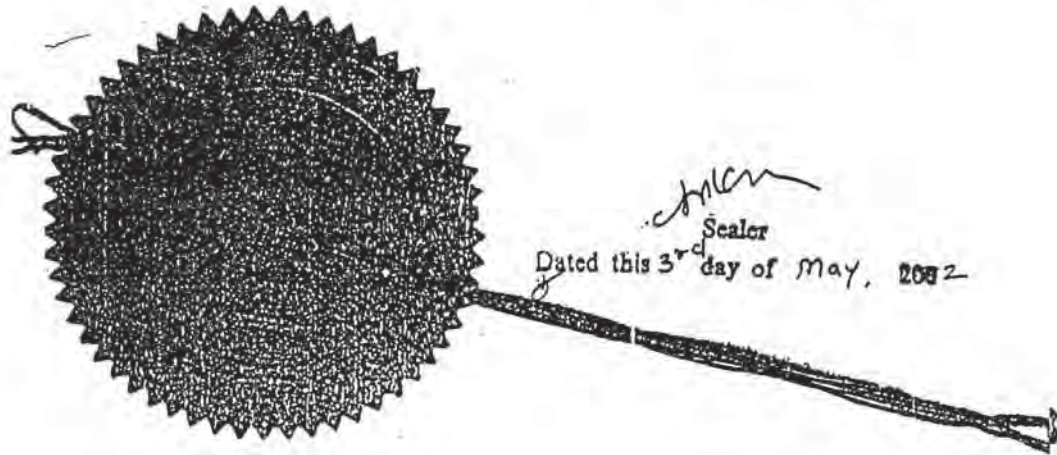
rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in M&M, the Transferee Company so as to become the properties of M&M, the Transferee Company and provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Petitioner Company and M&M, the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise AND THIS COURT DOTH FURTHER ORDER that all debts, liabilities, duties and obligations of the Petitioner Company as on the Appointed Date, whether provided for or not in the books of account of the Petitioner Company and all other liabilities which may accrue or arise after the Appointed date but which relate to the period on or upto the day of the Appointed Date shall be the debts, liabilities, duties and obligations of M&M, the Transferee Company including any encumbrance on the assets of the Petitioner Company or any income earned from these assets AND THIS COURT DOTH FURTHER ORDER that all legal proceedings of whatsoever nature by or against the Petitioner Company pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations, shall be continued and/or enforced until the Effective Date as desired by M&M, the Transferee Company and as and from the Effective Date shall be continued and enforced by or against M&M, the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to which the Petitioner Company is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of M&M, the Transferee Company, as the case may be, and may be enforced by or against M&M, the Transferee Company as fully and effectually as if, instead of the Petitioner Company, M&M, the Transferee Company had been a party thereto AND THIS COURT DOTH FURTHER ORDER that all the willing employees of the Petitioner Company in service on the date immediately preceding the Effective Date shall be

deemed to be employed in M&M, the Transferee Company on such date and such employees shall be employed with M&M, the Transferee Company without any break or interruption in service for the purpose of calculating retirement benefits and on the terms and conditions not less favourable than those subsisting with reference to the Petitioner Company as on the said date AND THIS COURT DOTH FURTHER ORDER that on the Scheme becoming effective the shares of the Petitioner Company held by MITS shall stand cancelled and the share capital of the MITS shall be reduced by cancellation of the cost of its shareholding in the Petitioner Company in the ratio of issued Equity Share Capital of MITS as compared to Net Asset Value of MITS as appearing in the book of account of MITS on the Appointed Date and the shares held by M&M, the Transferee Company, shall be cancelled to the extent of reduction in the Share Capital of MITS as specified hereinabove and no shares or consideration shall be issued / paid by M&M, in respect of the amalgamation under the Scheme AND THIS COURT DOTH FURTHER ORDER that on the Scheme becoming effective the Petitioner Company shall stand dissolved without winding up AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do file within 30 days from the date of sealing of the order sanctioning the Scheme of Arrangement with the Registrar of Companies, Maharashtra, Mumbai, for registration and upon such certified copy of the order being so delivered, the Petitioner Company shall stand dissolved without winding up and the Registrar of Companies, Maharashtra, Mumbai shall consolidate all files, documents, records relating to the Petitioner Company maintained by him with the files, documents, records of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that liberty is reserved to the Petitioner Company and to all other persons interested in this Petition to apply to this Honourable Court herein as and when occasion may arise for any direction that may be necessary to ensure that the said Scheme of Arrangement is fully and effectually carried out AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay a sum of Rs.1500/- (Rupees One thousand five hundred only) each to the Official Liquidator, High Court, Bombay and to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said Petition WITNESS SHRI. CHUNILAL

KARŞANDAS THAKKER Chief Justice at Bombay aforesaid this 11th day of April
2002.

BY THE COURT,


FOR PROTHONOTARY & SENIOR MASTER
&



ORDER sanctioning the Scheme of Arrangement)
under Section 391 to 394 of the Companies Act,)
1956 drawn on the Application By M/s. RAJESH)
SHAH & CO., Advocates for the Petitioner, having)
their office at 16, Oriental Building, 30, Nagindas)
Master Road, Flora Fountain, Mumbai 400 001.)

..... SCHEDULE

Rajesh Shah & Co

Certified Copy Rs. 1425
Additional Rs. 1600

Total Rs. - 2025-

275/2002
2750

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 225 OF 2002

CONNECTED WITH

COMPANY APPLICATION NO. 87 of 2002

In the matter of the Companies Act, 1956 (1
of 1956);

AND

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

AND

In the matter of Scheme of Arrangement of
e-Mahindra Solutions Limited, Mahindra
Auto Specialities Limited, Mahindra
Alternative Technologies Limited and
Mahindra Information Technology Services
Limited with Mahindra & Mahindra Limited

MAHINDRA AUTO SPECIALITIES)
LIMITED a Company incorporated under)
the Companies Act, 1956, having its)
registered office at Mahindra Towers, Dr. G.)
M. Bhosale Marg, Worli, Mumbai - 400 018.)..... Petitioner

Coram : D. K. Deshmukh J.

Date : 11th April, 2002.

UPON the Petition of Mahindra Auto Specialities Limited, the Petitioner Company
abovenamed, presented to this Honorable Court on 25th day of February 2002 for
sanction of the Scheme of Arrangement of Mahindra Auto Specialities Limited

(hereinafter referred to as the 'Petitioner Company' or 'MASL' or 'Second Transferor Company'), e-Mahindra Solutions Limited (hereinafter referred to as 'First Transferor Company' or 'e-Mahindra'), Mahindra Alternative Technologies Limited (hereinafter referred to as 'Third Transferor Company' or 'MATL') (all the Transferor Company ^{together} hereinafter ~~collectively~~ referred to as the "Transferor Companies") and Mahindra Information Technology Services Limited (hereinafter referred to as the 'MITS') with Mahindra & Mahindra Limited (hereinafter referred to as "the Transferee Company" or "M&M") AND for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr S. Durgashankar, the Director of the Petitioner Company solemnly affirmed on 25th day of February 2002, verifying the said Petition AND UPON READING the affidavit of Mr. Sharad Joshi, Assistant Advocate of M/s Rajesh Shah & Co Advocates for the Petitioner dated 4th day of April 2002 proving service of the notice of the date of hearing of the Petition to the Official Liquidator, High Court, Bombay and the Regional Director, Department of Company Affairs, Maharashtra, Mumbai, and despatch of notice of hearing of the Petition to all the unsecured creditors of the Petitioner Company whose consent have not been obtained AND UPON READING the order dated 1st day of March, 2002 passed in the above petition publication of the notice of the date of hearing of the Petition in the newspapers was dispensed with in view of the consent given by all shareholders and and 80.66% of the unsecured creditors of the Petitioner Company AND UPON READING the order dated 8th day of February 2002, made by this Hon'ble Court in Company Application No. 87 of 2002 whereby the convening of the meeting of the Equity Shareholders of the Petitioner Company to consider and approve the proposed Scheme of Arrangement was dispensed with in view of the consent given by the equity shareholders of the Petitioner Company, which is annexed as Exhibit 'F-1' to 'F-8' to the affidavit in support of the Company Application No.87 of 2002 and the convening and holding of the meeting of the unsecured creditors of the Petitioner Company to consider and approve the proposed Arrangement embodied in the Scheme of Arrangement was dispensed with in view of the consent of the unsecured creditors of 80.66% of value annexed as Exhibit 'G-1' to 'G-30' to the Affidavit in support of

Company Application No. 87 of 2002 and averment made in para 30 of the affidavit in support of the Company Application No 87 of 2002 AND UPON READING the Report dated 4th day of April, 2002 of the Official Liquidator, High Court, Bombay wherein he has opined that the affairs of the Petitioner Company have not been conducted in a manner prejudicial to the interest of its members or to public interest AND UPON HEARING Mr. Virag Tulzapurkar, Counsel alongwith Mr. Rajesh Shah instructed by M/S Rajesh Shah & Co., Advocates for the Petitioner Company and Mr. C.J Joy with Mr. M.M Goswami Panel Counsel instructed by Mr. R.P Singh, Company Prosecutor for Regional Director, Department of Company Affairs, Maharashtra, Mumbai, who submits in the Order of the Court and Mr. B. L. Meena, Official Liquidator High Court, Bombay who also submits to the Order of the Court AND no other person or persons entitled to appear at the hearing of the petition appearing this day either in support of the petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION the said Arrangement embodied in the Scheme of Arrangement of e-Mahindra Solutions Limited, Mahindra Auto Specialities Limited, Mahindra Alternative Technologies Limited, the Transferor Companies and Mahindra Information Technology Services Limited with Mahindra & Mahindra Limited, the Transferee Company as set forth in Exhibit "E" to the said Petition and also in the Schedule hereto, AND THIS COURT DOTH HEREBY DECLARE that the said Scheme of Arrangement be binding on the Petitioner Company, e-Mahindra, MATL, MITS and M&M, the Transferee Company and also their respective members/shareholders and creditors AND THIS COURT DOTH ORDER that subject to the provisions of this Scheme as specified hereinafter and with effect from 31st day of March, 2002 (hereinafter referred to as the "Appointed Date"), the entire business and undertakings of the Petitioner Company including all the debts, liabilities, duties and obligations of the Petitioner Company of every description and also including, without limitation, all the movables and immovable properties and assets of the Petitioner Company comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, electrical installations, telephones, telex, facsimile and other, communication facilities and business licenses, permits, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind,

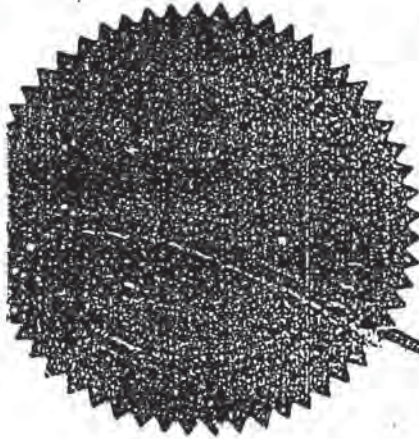
nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in M&M, the Transferee Company so as to become the properties of M&M, the Transferee Company and provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Petitioner Company and M&M, the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise AND THIS COURT DOTH FURTHER ORDER that all debts, liabilities, duties and obligations of the Petitioner Company as on the Appointed Date whether provided for or not in the books of account of the Petitioner Company and all other liabilities which may accrue or arise after the Appointed date but which relate to the period on or upto the day of the Appointed Date shall be the debts, liabilities, duties and obligations of M&M, the Transferee Company including any encumbrance on the assets of the Petitioner Company or any income earned from these assets AND THIS COURT DOTH FURTHER ORDER that all legal proceedings of whatsoever nature by or against the Petitioner Company pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations, shall be continued and /or enforced until the Effective Date as desired by M&M, the Transferee Company and as and from the Effective Date shall be continued and enforced by or against M&M, the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that subject to the other provisions of the Scheme, all contracts, including contracts deeds, bonds, agreements other instruments of whatsoever nature relating to which the Petitioner Company is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of M&M, the Transferee Company as the case may be, and may be enforced by or against M&M the Transferee Company as fully and effectually as if, instead of the Petitioner Company, M&M, the Transferee Company had been a party thereto AND THIS COURT DOTH FURTHER ORDER that all the willing employees of the Petitioner Company in service on the date immediately preceding the Effective Date

shall be deemed to be employed in M&M, the Transferee Company on such date and such employees shall be employed with M&M, the Transferee Company without any break or interruption in service for the purpose of calculating retirement benefits and on the terms and conditions not less favourable than those subsisting with reference to the Petitioner Company as on the said date AND THIS COURT DOTH FURTHER ORDER that on the Scheme becoming effective the shares held by M&M, the Transferee Company in the ~~Petitioner~~ Company, being the entire equity share capital of the Petitioner Company, appearing in the books of account of M&M, the Transferee Company as on the Appointed Date will stand cancelled and no shares or consideration shall be issued / paid by M&M, the Transferee Company in respect of the amalgamation under the Scheme, AND THIS COURT DOTH FURTHER ORDER that on the Scheme becoming effective the Petitioner Company shall stand dissolved without winding up AND THIS COURT DOTH FURTHER ORDER THAT the Petitioner Company do file within 30 days from the date of sealing of the order sanctioning the Scheme of Arrangement with the Registrar of Companies, Maharashtra, Mumbai, for registration and upon such certified copy of the order being so delivered, the Petitioner Company shall stand dissolved without winding up AND the Registrar of Companies, Maharashtra, Mumbai shall consolidate all files, documents, records relating to the Petitioner Company maintained by him with the files, documents, records of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that liberty is reserved to the Petitioner Company and to all other persons interested in this Petition to apply to this Honourable Court herein as and when occasion may arise for any direction that may be necessary to ensure that the said Scheme of Arrangement as set forth in the Schedule hereto be fully and effectually carried out AND THIS COURT DOTH LASTLY ORDER THAT the Petitioner Company do pay a sum of Rs.1500/- (Rupees One thousand five hundred only) each to the Official Liquidator, High Court, Bombay and to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said Petition

WITNESS SHRI CHUNILAL KARSANDAS THAKKER Chief Justice at Bombay

aforesaid this 11th day of April 2002.

BY THE COURT,



[Signature]
FOR PROTHONOTARY & SENIOR MASTER

[Signature]
Sealer
Dated this 3rd day of May 2002

ORDER sanctioning the Scheme of Arrangement)
under Section 391 to 394 of the Companies Act,)
1956 drawn on the Application By M/s. RAJESH)
SHAH & CO., Advocates for the Petitioner, having)
their office at 16, Oriental Building, 30, Nagindas)
Master Road, Flora Fountain, Mumbai 400 001. ;

.....SCHEDULE.....

Rajesh Shah & Co

11274/2002

Certified Copy Rs. 14.25
 Additional Rs. 6.00
 Total Rs. 20.25

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 226 OF 2002

CONNECTED WITH

COMPANY APPLICATION NO. 88 of 2002

In the matter of the Companies Act, 1956 (1
 of 1956);

AND

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

AND

In the matter of Scheme of Arrangement of
 e-Mahindra Solutions Limited, Mahindra
 Auto Specialities Limited, Mahindra
 Alternative Technologies Limited and
 Mahindra Information Technology Services
 Limited with Mahindra & Mahindra Limited

MAHINDRA ALTERNATIVE)
 TECHNOLOGIES LIMITED a. company)
 incorporated under the Companies Act, 1956)
 having its registered office at Gateway)
 Building, Apollo Bunder, Mumbai 400 001.)..... Petitioner

Coram : D. K. Deshmukh J.

Date : 11th April, 2002.

UPON the Petition of Mahindra Alternative Technologies Limited, the Petitioner
 Company abovenamed, presented to this Honorable Court on 25th day of February

2002 for sanction of the Scheme of Arrangement of Mahindra Alternative Technologies Limited (hereinafter referred to as 'MATL' or the 'Petitioner Company' or 'Third Transferor Company'), e-Mahindra Solutions Limited (hereinafter referred to as 'e-Mahindra' or 'First Transferor Company'), Mahindra Auto Specialities Limited (hereinafter referred to as 'MASL' or 'Second Transferor Company'), (all the transferor company hereinafter together referred to as "Transferor Companies") and Mahindra Information Technology Services Limited (hereinafter referred to as 'MITS') with Mahindra & Mahindra Limited (hereinafter referred to as "the Transferee Company" or "M&M") AND for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr S. Durgashankar, the Authorised Signatory of the Petitioner Company solemnly affirmed on 25th day of February 2002, verifying the said Petition AND UPON READING the affidavit of Mr. Sharad Joshi, Assistant Advocate of M/s Rajesh Shah & Co Advocates for the Petitioner dated 4th day of April 2002 proving service of the notice of the date of hearing of the Petition to the Official Liquidator, High Court, Bombay and the Regional Director, Department of Company Affairs, Mumbai AND UPON READING the order dated 1st day of March, 2002 passed in the above petition publication of the notice of the date of hearing of the Petition in the newspapers was dispensed with in view of the consent given by all shareholders and sole unsecured creditor of the Petitioner Company AND UPON READING the order dated 8th day of February 2002, made by this Hon'ble Court in Company Application No. 88 of 2002 whereby the convening of the meeting of the Equity Shareholders of the Petitioner Company to consider and approve the proposed Scheme of Arrangement was dispensed with in view of the consent given by all the equity shareholders of the Petitioner Company, which are annexed as Exhibit 'F1' to 'F8' to the affidavit in support of the Company Application No. 88 of 2002 and the convening and holding of the meeting of the unsecured creditors of the Petitioner Company to consider and approve the proposed Arrangement embodied in the Scheme of Arrangement was dispensed with in view of the consent of the sole unsecured creditor annexed as Exhibit 'G' to the Affidavit in support of Company Application No. 88 of 2002 and averment made in para 30 of the

affidavit in support of the Company Application No 88 of 2002 AND UPON READING the Report dated 4th day of April, 2002 of the Official Liquidator, High Court, Bombay wherein he has opined that the affairs of the Petitioner Company have not been conducted in a manner prejudicial to the interest of its members or to public interest AND UPON HEARING Mr. Virag Tulzapurkar, Counsel alongwith Mr Rajesh Shah instructed by M/S. Rajesh Shah & Co., Advocates for the Petitioner Company and Mr. C. J. Joy with Mr. M. M Goswami Panel Counsel instructed by Mr. R P Singh, Company Prosecutor for Regional Director, Department of Company Affairs, Maharashtra, Mumbai, who submits to the Order of the Court and Mr. B.L. Meena, Official Liquidator, High Court, Bombay who also submits to the Order of the Court AND no other person or persons entitled to appear at the hearing of the petition appearing this day either in support of the petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION the said Arrangement embodied in the Scheme of Arrangement of e-Mahindra Solutions Limited, Mahindra Auto Specialities Limited, Mahindra Alternative Technologies Limited, the Transferor Companies and Mahindra Information Technology Services Limited with Mahindra & Mahindra Limited, the Transferee Company as set forth in Exhibit "E" to the said Petition and also in the Schedule hereto; AND THIS COURT DOTH HEREBY DECLARE that the said Scheme of Arrangement be binding on the Petitioner Company, e-Mahindra, MASL, MITS and M&M, the Transferee Company and also their respective members/shareholders and creditors AND THIS COURT DOTH ORDER that subject to the provisions of this Scheme as specified hereinafter and with effect from 31st day of March, 2002 (hereinafter referred to as the Appointed Date), the entire business and undertakings of the Petitioner Company including all the debts, liabilities, duties and obligations of the Petitioner Company of every description and also including, without limitation, all the movables and immovable properties and assets of the Petitioner Company comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages,

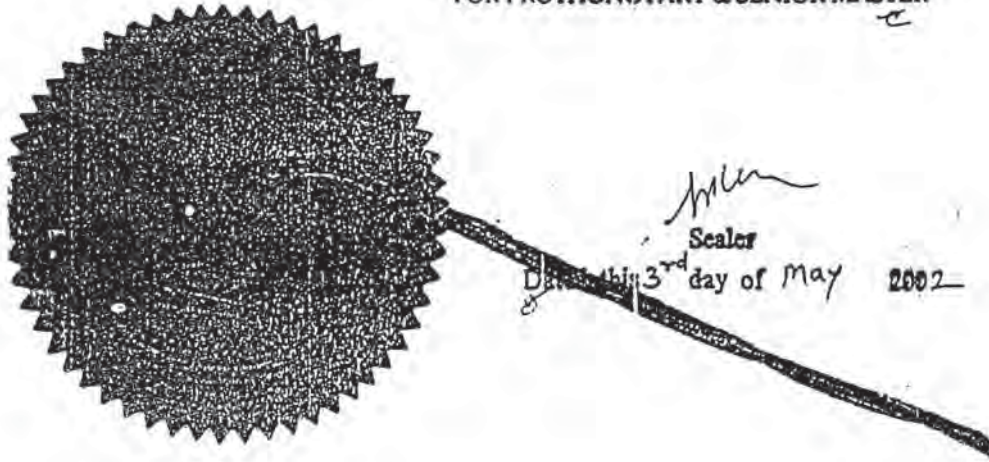
benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in M&M, the Transferee Company so as to become the properties of M&M, the Transferee Company and provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Petitioner Company and M&M, the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise AND THIS COURT DOTH FURTHER ORDER that all debts, liabilities, duties and obligations of the Petitioner Company as on the Appointed Date whether provided for or not in the books of account of the Petitioner Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall be the debts, liabilities, duties and obligations of M&M, the Transferee Company including any encumbrance on the assets of the Petitioner Company or any income earned from these assets AND THIS COURT DOTH FURTHER ORDER that all legal proceedings of whatsoever nature by or against the Petitioner Company pending and/or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations, shall be continued and /or enforced until the Effective Date as desired by M&M, the Transferee Company and as and from the Effective Date shall be continued and enforced by or against M&M, the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to which the Petitioner Company is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of M&M, the Transferee Company as the case may be, and may be enforced by or against M&M, the Transferee Company as fully and effectually as if, instead of the Petitioner Company, M&M the Transferee Company had been a party thereto AND THIS COURT DOTH FURTHER ORDER that all the willing employees of the Petitioner Company in service on the date immediately preceding the Effective Date shall be deemed to be employed in M&M, the Transferee Company on such date and such

employees shall be employed with M&M, the Transferee Company without any break or interruption in service for the purpose of calculating retirement benefits and on the terms and conditions not less favourable than those subsisting with reference to the Petitioner Company as on the said date AND THIS COURT DOTH FURTHER ORDER that on the Scheme becoming effective the shares held by M&M, the Transferee Company in the Petitioner Company, being the entire equity share capital of the Petitioner Company, appearing in the books of account of M&M, the Transferee Company as on the Appointed Date shall stand cancelled and no shares or consideration shall be issued / paid by M&M, the Transferee Company in respect of the amalgamation under the Scheme AND THIS COURT DOTH FURTHER ORDER that on the Scheme becoming effective the Petitioner Company shall stand dissolved without winding up AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do file within 30 days from the date of sealing of the order sanctioning the Scheme of Arrangement with the Registrar of Companies, Maharashtra, Mumbai, for registration and upon such certified copy of the order being so delivered, the Petitioner Company shall stand dissolved without winding up and the Registrar of Companies, Maharashtra, Mumbai shall consolidate all files, documents, records relating to the Petitioner Company maintained by him with the files, documents, records of the Transferee Company AND THIS COURT DOTH FURTHER ORDER that liberty is reserved to the Petitioner Company and to all other persons interested in this Petition to apply to this Honourable Court herein as and when occasion may arise for any direction that may be necessary to ensure that the said Scheme of Arrangement as set forth in the Schedule hereto be fully and effectually carried out AND THIS COURT DOTH LASTLY ORDER THAT the Petitioner Company do pay a sum of Rs.1500/- (Rupees One thousand five hundred only) each to the Official Liquidator, High Court, Bombay and to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said Petition WITNESS SHRI CHUNILAL

KARSANDAS TIHAKKER Chief Justice at Bombay aforesaid this 11th day of April 2002.

BY THE COURT,


FOR PROTHONOTARY & SENIOR MASTER



ORDER sanctioning the Scheme of Arrangement)
under Section 391 to 394 of the Companies Act,)
1956 drawn on the Application By M/s. RAJESH)
SHAH & CO., Advocates for the Petitioner, having)
their office at 16, Oriental Building, 30, Nagindas)
Master, Road, Flora Fountain, Mumbai 400 001.)

.....SCHEDULE.....

Rajesh Shah & Co

Certified Copy Rs. 14.25
 Additional Rs. 6.00
 Total Rs. 20.25

11273/2002

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 271 OF 2002

CONNECTED WITH

COMPANY APPLICATION NO. 89 of 2002

In the matter of the Companies Act, 1956 (1
 of 1956);

AND

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

AND

In the matter of Scheme of Arrangement of
 e-Mahindra Solutions Limited, Mahindra
 Auto Specialities Limited, Mahindra
 Alternative Technologies Limited and
 Mahindra Information Technology Services
 Limited with Mahindra & Mahindra Limited,

MAHINDRA ----- INFORMATION)
 TECHNOLOGY SERVICES LIMITED a)
 company incorporated under the Companies)
 Act, 1956 having its registered office at)
 Gateway Building, Apollo Bunder, Mumbai-)
 400 001.)..... Petitioner

Coram : D. K. Deshmukh J.

Date : 18th April, 2002

UPON the Petition of Mahindra Information Technology Services Limited, the
 Petitioner Company abovenamed, presented to this Honorable Court on 13th day of
 March 2002 for sanction of the Scheme of Arrangement of e-Mahindra Solutions

Limited (hereinafter referred to as 'First Transferor Company' or 'e-Mahindra') , Mahindra Auto Specialities Limited (hereinafter referred to as 'Second Transferor Company' or 'MASL'), Mahindra Alternative Technologies Limited (hereinafter referred to as 'Third Transferor Company' or 'MATL') (hereinafter all the ~~three~~ ^{together} Transferor Company ~~jointly~~ referred to as "the Transferor Companies") and Mahindra Information Technology Services Limited (hereinafter referred to as "MITS" or "the Petitioner Company") with Mahindra & Mahindra Limited (hereinafter referred to as "the Transferee Company" or "M&M") AND for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of, Mr. Ulhas N. Yargop, Director of the Petitioner Company, solemnly affirmed on 13th day of March 2002, verifying the said Petition AND UPON READING the affidavit of Mr. Sharad Joshi, Assistant Advocate of M/s Rajesh Shah & Co Advocates for the Petitioner Company dated 11th day of April 2002 proving publication of the notice of the date of hearing of the Petition in the issue of the "Free Press Journal" dated 28th day of March 2002 and "Navshakti" dated 28th day of March 2002 and proving service of the notice of the date of hearing of the Petition to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai, AND UPON READING the order dated 8th day of February 2002, made by this Hon'ble Court in Company Application No. 89 of 2002 whereby the Petitioner Company was directed to convene meeting of the Equity Shareholders of the Petitioner Company to consider and approve the proposed Scheme of Arrangement AND by the said order dated 8th day of February 2002 the convening and holding of the meeting of the Secured creditors of the Petitioner Company to consider and approve the proposed Scheme of Arrangement was dispensed with in view of the averment in para (32) of the affidavit in support of the Company Application No. 89 of 2002 and in view of the written consent ^{given} ~~given~~ by the sole Secured creditor which is annexed as Exhibit 'A' to the further affidavit dated 6th day of February 2002 And the convening and holding of the meeting of the Unsecured Creditors of the Petitioner Company to consider and approve the proposed Scheme of Arrangement, was dispensed with in view of the averment in para (32) of the affidavit in support of the Company Application No.89 of 2002 and in view of the written

consent given by around 96% of the unsecured creditors of the Petitioner Company which are annexed as Exhibit 'H-1' to 'H-4' to the affidavit in support of summons for directions of Company Application No. 89 of 2002 and Exhibit 'B-1' to 'B-3' to the further affidavit dated 6th day of ~~Feb~~^{February} 2002 and the procedure prescribed under section 101(2) of the Companies Act, 1956 was dispensed with, in view of averment made in para (33) of the affidavit in support of the Company Application No. 89 of 2002 however the Petitioner Company was directed to move a Special Resolution in the shareholders meeting pursuant to section 100 of the Companies Act, 1956 for confirming the reduction in the share capital account AND UPON READING the affidavit of Mr. Ulhas N. Yargop, Chairman of the meeting of the Equity Shareholders of the Petitioner Company dated 25th day of February 2002 proving publication of the notice convening meeting of the Equity Shareholders of the Petitioner Company in the issue of the 'Free Press Journal' dated 15th day of February 2002 and 'Navshakti' dated 15th day of February 2002 and also proving despatch of notice convening meeting to the individual Equity Shareholders AND UPON READING the Report dated 13th day of March 2002 of Mr. Ulhas N. Yargop, the Chairman of the meeting of the Equity Shareholders of the Petitioner Company as to the results of the said meeting AND UPON READING the affidavit of Mr. Ulhas N. Yargop, Chairman of the meeting dated 13th day of March 2002 verifying the said report AND IT APPEARS from the report of the Chairman of the meeting of Equity Shareholders of the Petitioner Company that the Scheme of Arrangement and the Special Resolution confirming the reduction in Share Capital Account under Section 100 of the Companies Act, 1956 has been approved unanimously by the Equity Shareholders of the Petitioner Company present at the meeting AND AT THIS STAGE the Petitioner Company through their Counsel moved the Hon'ble Court for amendment in the Petition in terms of the draft amendment for reduction in the share capital account of the Petitioner Company AND the Hon'ble Court granted leave to amend the Petition in terms of the draft amendment and permitting the Petitioner Company to annex the 'FORM OF MINUTES' proposed to be registered under section 103 (1) (b) of the Companies Act, 1956 as Exhibit 'M' to the Petition and annexed hereto as Schedule II quantifying the exact amount of the reduction in the Share Capital Account from Rs 13,55,61,230 to Rs

10,09,01,000 AND UPON HEARING Mr. Virag Tulzapurkar Counsel with Mr. Rajesh I. Shah, instructed by M/s. Rajesh Shah & Co. Advocates for the Petitioner Company and Mr.C.J Joy with Mr. M.M Goswami Panel Counsel instructed by Mr. R.P Singh, Company Prosecutor for Regional Director, Department of Company Affairs, Maharashtra, Mumbai, ^{who} and submits to the Order of the Court AND no other person or persons entitled to appear at the hearing of the petition appearing this day either in support of the petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION the said Arrangement embodied in the Scheme of Arrangement of e-Mahindra Solutions Limited, Mahindra Auto Specialities Limited, Mahindra Alternative Technologies Limited and Mahindra Information Technology Services Limited, the Petitioner Company with Mahindra & Mahindra Limited, the Transferee Company as set forth in Exhibit 'G' to the Petition and in the Schedule I hereto AND THIS COURT DOTH HEREBY DECLARE that the said Scheme of Arrangement be binding on the Petitioner Company, Transferor Companies and the Transferee Company and also their respective members/shareholders and creditors AND THIS COURT DOTH ORDER that the reduction of the share capital account of the Petitioner Company, in terms of and pursuant to the clause 10 of the Scheme of Arrangement, resolved on by the Special Resolution of the members of the Petitioner Company is confirmed AND THIS COURT DOTH FURTHER ORDER that the Order sanctioning the Scheme of Arrangement be deemed to be an Order confirming the reduction of Share Capital account of the Petitioner Company within the meaning of Section 102 of the Act AND THIS COURT DOTH FURTHER ORDER the proposed 'FORM OF MINUTES' being Exhibit 'M' to the Petition and Schedule II hereto be registered in terms of Section 103(1)(b) of the Companies Act, 1956, AND THIS COURT DOTH FURTHER ORDER the Petitioner Company do within 30 days from the date of sealing of the order cause a certified copy of the order sanctioning the Scheme of Arrangement and reduction of Share capital account to be filed with the Registrar of Companies, Maharashtra, Mumbai, for registration under Section 391 and Section 103 (1)(b) of the Companies Act, 1956 AND THIS COURT DOTH FURTHER ORDER THAT liberty is reserved to the Petitioner Company and to all other persons interested in this Petition to apply to this Honourable Court herein as and when occasion may arise for any

direction that may be necessary in respect of such incidental, consequential & supplemental matters as are necessary to ensure that the said Scheme of Arrangement is fully and effectually carried out AND THIS COURT DOETH LASTLY ORDER THAT the Petitioner Company do pay a sum of Rs.1500/- (Rupees One thousand five hundred only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said Petition WITNESS SHRI CHUNILAL KARSANDAS THAKKER Chief Justice at Bombay aforesaid this 18th day of April 2002.

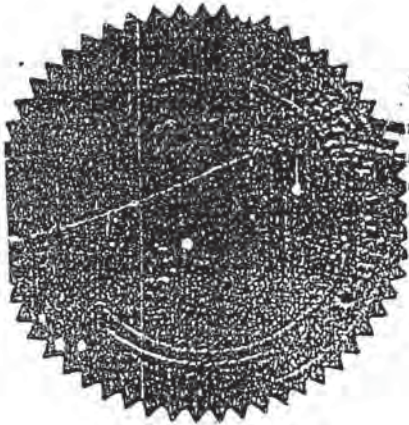
BY THE COURT,

for

FOR PROTHONOTARY & SENIOR MASTER

for

Dated this 3rd day of May, 2002



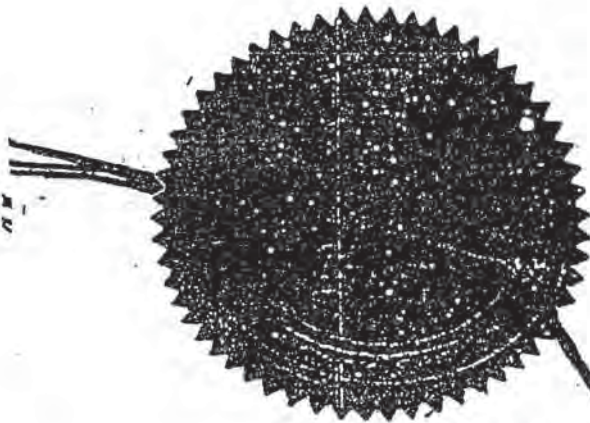
ORDER sanctioning the Scheme of Arrangement under Section 391 to 394 of the Companies Act, 1956 drawn on the Application By M/s. RAJESH SHAH & CO., Advocates for the Petitioner, having their office at 16, Oriental Building, 30, Nagindas Master Road, Flora Fountain, Mumbai 400 001.

SCHEDULE I AND II

SCHEDULE II

FORM OF MINUTE

The issued, subscribed and paid-up equity share capital of Mahindra Information Technology Services Limited as on the Appointed Date specified in the Scheme of Arrangement is Rs 10,09,01,000 divided into 1,00,90,100 equity shares of Rs 10 each reduced from Rs 13,55,61,230 divided into 1,35,56,123 equity shares of Rs 10 each fully paid-up.



CERTIFIED TO BE A TRUE COPY
This 4th day of May 2006
[Signature]
for Prothonotary and Senior Magistrate

SCHEDULE - I

SCHEME OF ARRANGEMENT

of

e-MAHINDRA SOLUTIONS LIMITED,

MAHINDRA AUTO SPECIALITIES LIMITED,

MAHINDRA ALTERNATIVE TECHNOLOGIES LIMITED,

and

MAHINDRA INFORMATION TECHNOLOGY SERVICES LIMITED

with

MAHINDRA & MAHINDRA LIMITED

and

THEIR RESPECTIVE SHAREHOLDERS

This Scheme of Arrangement is presented for restructuring of Mahindra & Mahindra Limited and some of its subsidiaries, including in particular:

- (i) the amalgamation of e-Mahindra Solutions Limited, Mahindra Auto Specialities Limited and Mahindra Alternative Technologies Limited as going concerns with Mahindra & Mahindra Limited,
- (ii) utilisation of share premium account of Mahindra & Mahindra Limited, and
- (iii) reduction of share capital of Mahindra Information Technology Services Limited.

pursuant to Sections 391 to 394 read with Section 78 and Section 100 and other applicable provisions of the Companies Act, 1956.

1. DEFINITION

- 1.1 "Act" means the Companies Act, 1956, and shall include any statutory modifications, re-enactment or amendment thereof.
- 1.2 "Appointed Date" means 31st day of March, 2002.
- 1.3 "Associate" means a company in which M&M holds directly or indirectly through its subsidiary/(ies) 20% or more of the voting power of such company and, which is not a subsidiary of M&M.

- 1.4 "Effective Date" means the date on which the last of the sanctions and approvals referred to in clause 12 of this Scheme are obtained or the Appointed Date, whichever is later.
- 1.5 "e-Mahindra" means e-Mahindra Solutions Limited, a company incorporated under the Act and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001 (hereinafter also referred to as "the First Transferor Company").
- 1.6 "Investments" means the investments made by M&M in the securities of its Subsidiaries or Associates.
- 1.7 "MASI" means Mahindra Auto Specialities Limited, a company incorporated under the Act and having its registered office at Mahindra Towers, Dr. G. M. Bhosale Marg, Worli, Mumbai - 400 018 (hereinafter also referred to as "the Second Transferor Company").
- 1.8 "MATL" means Mahindra Alternative Technologies Limited, a company incorporated under the Act and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001 (hereinafter also referred to as "the Third Transferor Company").
- 1.9 "MITS" means Mahindra Information Technology Services Limited, a company incorporated under the Act and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001.
- 1.10 "M&M" or "the Transferee Company" means Mahindra & Mahindra Limited, a company incorporated under the Indian Companies Act, VII of 1913 and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001.
- 1.11 "Net Asset Value" means the sum total of issued and subscribed share capital plus reserves and surplus (excluding revaluation reserves) as reduced by miscellaneous expenditure (to the extent not written off or adjusted), debit balance of profit and loss account and goodwill as per the books of accounts.

- 1.12 "Related Assets" means all amounts due and outstanding to M & M from its Subsidiaries or Associates.
- 1.13 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form submitted to the High Court of Judicature at Bombay or with any modification(s) made under clause 15 of this Scheme or with such other modifications/amendments as the High Court may direct.
- 1.14 "Subsidiary" means a subsidiary of M&M under Section 4 of the Act.
- 1.15 "Transferor Companies" means e-Mahindra, MASL and MATL collectively.
- 1.16 "Transferor Company" means individually each of the Transferor Companies.

2. OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Bombay shall be operative from the Appointed Date.

3. BACKGROUND

- 3.1 The share capital of e-Mahindra as on March 31, 2001 is as under:

	Amount in Rs.
Authorised Capital	
2,00,00,000 equity shares of Rs. 10 each	20,00,00,000
	<u>20,00,00,000</u>
Issued	
1,70,00,000 equity shares of Rs. 10 each	17,00,00,000
	<u>17,00,00,000</u>
Subscribed and Paid up	
3,50,000 equity shares of Rs. 10 each fully paid-up	35,00,000
	<u>35,00,000</u>

e-Mahindra is a wholly owned subsidiary of MITS.

3.2 The share capital of MASL as on March 31, 2001 is as under:

	Amount in Rs.
Authorised Capital	
52,50,000 equity shares of Rs. 10 each	5,25,00,000
	<u>5,25,00,000</u>
Issued, Subscribed and Paid up	
52,50,000 equity shares of Rs. 10 each	5,25,00,000
	<u>5,25,00,000</u>

MASL is a wholly owned subsidiary of M&M.

3.3 The share capital of MATL as on March 31, 2001 is as under:

	Amount in Rs.
Authorised Capital	
30,00,000 equity shares of Rs. 10 each	3,00,00,000
	<u>3,00,00,000</u>
Issued, Subscribed and Paid up	
2,50,000 equity shares of Rs. 10 each	25,00,000
	<u>25,00,000</u>

MATL is a wholly owned subsidiary of M&M. The existing issued, subscribed and paid up share capital of MATL is Rs.1,53,00,000 (Rupees one crore fifty three lacs only) pursuant to the fresh issue of equity shares subsequent to March 31, 2001.

3.4 The share capital of M&M as on March 31, 2001 is as under:

	Amount in Rs.
Authorised Capital	
17,50,00,000 equity shares of Rs. 10 each	1,75,00,00,000
25,00,000 Unclassified shares of Rs. 100 each	25,00,00,000
	<u>2,00,00,00,000</u>
Issued, Subscribed and Paid Up	
11,04,84,380 equity shares of Rs. 10 each	1,10,48,43,800
	<u>1,10,48,43,800</u>

The existing issued, subscribed and paid up share capital of M&M is Rs.116,00,85,990 consisting of 11,60,08,599 equity shares of Rs.10 each pursuant to the fresh issue of equity shares subsequent to March 31, 2001.

3.5 The share capital of MITS as on March 31, 2001 is as under:

	Amount in Rs.
Authorised Capital	
2,00,00,000 equity shares of Rs. 10 each	20,00,00,000
	<u>20,00,00,000</u>
Issued, Subscribed and Paid up	
1,35,56,123 equity shares of Rs. 10 each fully paid-up	13,55,61,230
	<u>13,55,61,230</u>

MITS is a wholly owned subsidiary of M&M.

4. MERGER OF THE TRANSFEROR COMPANIES WITH M&M

- 4.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and undertakings of the Transferor Companies including all the debts, liabilities, duties and obligations of the Transferor Companies of every description and also including, without limitation, all the movables and immovable properties and assets of the Transferor Companies comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in M&M so as to become the properties of M&M.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Companies and M&M shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise.

- 4.2 The transfer of property and liabilities and the continuance of proceedings by M&M under clause 4.1 above and clause 6 shall not affect any transaction or proceedings already concluded by the Transferor

Companies on or after the Appointed Date till the Effective Date to the end and intent that M&M accepts and adopts all acts, deeds and things done and executed by that respective Transferor Company in regard thereto as done and executed by M&M on behalf of itself. Furthermore, as from the Appointed Date, the Transferor Companies shall be deemed to have carried on and to be carrying on their respective businesses on behalf of and in trust for M&M until such time as the Scheme takes effect.

- 4.3 It is clarified that all debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Companies and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall be the debts, liabilities, duties and obligations of M&M including any encumbrance on the assets of the Transferor Companies or on any income earned from those assets.

5. UTILISATION OF SHARE PREMIUM ACCOUNT

- 5.1 The balance in share premium account in the books of M&M shall be utilised to write off and shall stand reduced by an amount equivalent to the balance appearing under the head "miscellaneous expenditure account (to the extent not written off or adjusted)" of M&M as on September 30, 2001 of Rs.374,07,25,622 (Rupees three hundred seventy four crores seven lakhs twenty five thousand six hundred and twenty two only) plus any further accretions thereto till the Appointed Date but not in excess of Rs.500,00,00,000 (Rupees five hundred crores only) in aggregate to the end and intent that such write-off shall be deemed to be an adjustment in accordance with and for all purposes relating to the provisions of the Act.
- 5.2 The share premium account in the books of M&M shall be further utilised to write-off and shall stand further reduced by an amount equivalent to the investment in the shares cancelled of MITS, MATL and MASL pursuant to this Scheme as specified in clause 10.1(ii), 10.1(iii) and 10.1(iv) respectively.
- 5.3 The application and reduction of the share premium account, as per clause 5.1 and 5.2 above, shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in

respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

6. 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 4, shall be continued and /or enforced until the Effective Date as desired by M&M and as and from the Effective Date shall be continued and enforced by or against M&M in the manner and to the same extent as would or might have been continued and enforced by or against that respective Transferor Company.

7. CONTRACTS, DEEDS, ETC.

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to which one or more of the Transferor Companies is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of M&M, as the case may be, and may be enforced by or against M&M as fully and effectually as if, instead of the Transferor Companies, M&M had been a party thereto. M&M shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which one or more of the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, M&M shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

8. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

8.1 With effect from the Appointed Date and upto the Effective Date,

- i) The Transferor Companies shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand

possessed of their entire business and undertakings for and on account of and in trust for M&M;

- ii) 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 and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of M&M; and
- iii) The Transferor Companies shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business or vary the terms and conditions of employment of any of their employees in each case without the prior consent of M&M.

- 8.2 M&M shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which M&M may require to carry on the business of the Transferor Companies.

9. EMPLOYEES OF THE TRANSFEROR COMPANIES

- 9.1 All the willing employees of the Transferor Companies in service on the date immediately preceding the Effective Date shall be deemed to be employed in M&M on such date and such employees shall be employed with M&M without any break or interruption in service for the purpose of calculating retirement benefits and on the terms and conditions not less favourable than those subsisting with reference to the Transferor Companies as on the said date.

- 9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Companies shall become trusts/funds of M&M for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers

and obligations of the Transferor Companies in relation to such Fund or Funds shall become those of M&M. It is clarified that the services of the staff, workmen and employees of the Transferor Companies which are employed with M&M will be treated as having been continuous for the purpose of the said Fund or Funds.

10. REORGANISATION OF SHARE CAPITAL.

10.1 On the Scheme becoming effective:

- i. The shares of e-Mahindra held by MITS shall stand cancelled;
- ii. The share capital of MITS shall be reduced by cancellation of the cost of its shareholding in e-Mahindra in the ratio of issued equity share capital of MITS as compared to the Net Asset Values of MITS as appearing in the books of accounts of MITS on the Appointed Date;
- iii. The shares held by M&M in MITS shall be cancelled to the extent of reduction in the share capital of MITS as specified in sub-clause (ii) hereinabove;
- iv. The shares held by M&M in MASL and MATL, being the entire equity share capital of MASL and MATL, appearing in the books of account of M&M as on the Appointed Date will stand cancelled; and
- v. No shares or consideration shall be issued / paid by M&M, in respect of the amalgamations under the Scheme.

- 10.2 The reduction of share capital of MITS as per clause 10.1(ii) above shall be effected as an integral part of the Scheme itself and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

11. ACCOUNTING TREATMENT

11.1 IN THE BOOKS OF M&M

On the Scheme becoming effective, M&M shall in respect of its accounts for the year ending on March 31, 2002 account for the Scheme in its books as under:

- i) all assets and liabilities of the Transferor Companies (other than the shares held by and recorded in the books of the Transferor Companies) shall be recorded by M&M at their respective book values;

- ii) The shares held by the Transferor Companies, (appearing in their respective books of accounts) will be recorded by M&M based on the Net Asset Values of the respective Investee Companies as on the Appointed Date, proportionate to the Transferor Companies' holdings therein;
- iii) The book value of the shares held by M&M as on the Appointed Date in MATL and MASL, cancelled pursuant to clause 10.1(iv) and in MITS to the extent cancelled pursuant to clause 10.1(iii) hereinabove, would be debited to the share premium account of M&M;
- iv) The surplus, if any, of value of the assets over the liabilities of e-Mahindra, MATL and MASL, transferred to M&M pursuant to the High Court order, to the extent considered necessary by the Board of Directors of M&M, shall be retained as and credited to a separate provision account towards diminution in value of Investments and Related Assets of M&M. The balance surplus, if any, after making such provision would be retained as and credited to 'investment fluctuation reserve'.
The deficit, if any, of the value shall be reflected as 'goodwill', in the books of accounts of M&M;
- v) The balance in share premium account in the books of accounts of M&M will be utilised as specified in clause 5.1 and 5.2 hereinabove; and
- vi) The 'miscellaneous expenditure account (to the extent not written off or adjusted)' in the books of accounts of M&M shall be written off as specified in clause 5.1 hereinabove.

11.2 IN THE BOOKS OF MITS

On this Scheme becoming effective, the shares issued by e-Mahindra to MITS shall stand cancelled. The corresponding adjustment in the books of accounts of MITS would be made as under:

- Reduction of share capital as specified in clause 10.1(ii); and
- The difference between the cost of shares of e-Mahindra and the capital reduced as per clause 10.1(ii) above, shall be adjusted first against General Reserves, and the balance if any, against the profit and loss account of MITS.

12. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 12.1 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 12.2 The approval by the requisite majorities of the members of M&M, MITS and the Transferor Companies as directed by High Court of Judicature at Bombay under Section 391 and 394 of the Act.
- 12.3 The certified copies of the Orders of High Court of Judicature at Bombay under Section 391 and 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai.
- 12.4 All other sanctions and approvals as may be required by law in respect of this Scheme being sanctioned.

13. WINDING UP

On the Scheme becoming effective, e-Mahindra, MASL and MATL shall be dissolved without being wound up.

14. APPLICATION TO HIGH COURT

M&M, MITS and the Transferor Companies shall, with all reasonable dispatch, make applications to the High Court of Judicature at Bombay where the registered offices of all the Companies are situated, for sanctioning the Scheme of Arrangement under Section 391 to 394 of the Act, and for dissolution of the Transferor Companies without being wound up.

15. MODIFICATION OR AMENDMENTS TO THE SCHEME

M&M, MITS and the Transferor Companies by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). M&M, MITS and the Transferor Companies by their respective Board of Directors shall be authorised to take all such steps as may be necessary,

desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

16. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of M&M, MITS and the Transferor Companies shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement or in case this Scheme is not sanctioned by the High Court of Judicature at Bombay or does not otherwise become effective by August 31, 2002, or within such further period or periods as may be agreed upon between M&M, MITS and the Transferor Companies through their respective Board of Directors, then the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

17. COSTS, CHARGES AND EXPENSES

M&M shall bear and pay all costs, charges, expenses, taxes including duties, levies in connection with the Scheme.

IN THE HIGH COURT OF JUDICATURE
AT BOMBAY

00CJ

COMPANY PETITION NO. 296 of 2002
CONNECTED WITH
COMPANY APPLICATION NO 90 OF
2002

In the matter of Companies Act, 1956 (1 of 1956);

AND

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

AND

In the matter of Scheme of Arrangement of e-Mahindra Solutions Limited, Mahindra Auto Specialities Limited, Mahindra Alternative Technologies Limited and Mahindra Information Technology Services Limited with Mahindra & Mahindra Limited

MAHINDRA & MAHINDRA LIMITED

..... Petitioner

CERTIFIED COPY OF THE
ORDER SANCTIONING SCHEME OF
ARRANGEMENT

Dated this 18th day of April 2002

Filed this 3rd day of May, 2002

M/S RAJESH SHAH & CO
Advocates for the Applicant
16, Oriental Building,
30, Nagindas Master Road,
Flora Fountain,
Mumbai 400 001.

[illegible]

17 MAY 2002

Rajesh Shah & Co.
Fee Copy Fee 1425
Additional Rs. 1 6-00
Total Rs. - 20-25

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 907 OF 2003

CONNECTED WITH

COMPANY APPLICATION NO. 415 OF 2003.

In the matter of the Companies Act, 1956 (1
of 1956);

AND

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

AND

In the matter of Scheme of Arrangement of
Mahindra Eco Mobiles Limited and Mahindra
Information Technology Services Limited
with Mahindra & Mahindra Limited.

MAHINDRA & MAHINDRA LIMITED, a)
Company incorporated under the Indian)
Companies Act, VII of 1913 and having its)
registered office at Gateway Building, Apollo)
Bunder, Mumbai - 400 001)..... Petitioner -

Coram : Dr. D.Y. Chandrachud J.

Date : 12th December 2003

UPON the Petition of Mahindra & Mahindra Limited, the Petitioner abovenamed,
presented to this Honorable Court on 3rd day of November 2003 for sanction of
the Scheme of Arrangement of Mahindra Eco Mobiles Limited ("hereinafter
referred to as the First Transferor Company" or "MEML") and Mahindra
Information Technology Services Limited (hereinafter referred to as "the Second
Transferor Company" or "MITS") (The First Transferor Company and the Second
Transferor Company hereinafter collectively referred to as "the Transferor
Companies") with Mahindra & Mahindra Limited (hereinafter referred to as "the

Petitioner" or "M&M") AND for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Uday Y. Phadke, the Authorised Signatory of the Petitioner solemnly affirmed on 3rd day of November 2003, verifying the said Petition AND UPON READING the affidavit of Mr. Hanmant Jadhav, clerk in the office of M/s Rajesh Shah & Co, Advocates for the Petitioner dated 8th day of December 2003 proving service of the notice of the date of hearing of the Petition upon the Regional Director, Department of Company Affairs, Maharashtra Mumbai, and also proving publication of the notice of the date of hearing of the Petition in the issue of the "Free Press Journal" dated 21st day of November 2003 and "Navshakti" dated 22nd day of November 2003 AND UPON READING the Order dated 17th day of September 2003, made by this Hon'ble Court in Company Application No. 415 of 2003 whereby the Petitioner was directed to convene meeting of the Equity Shareholders of the Petitioner to consider and approve the proposed Scheme of Arrangement AND by the said Order dated 17th day of September 2003 convening and holding of the meeting of the Secured Creditors of the Petitioner to consider and approve the proposed Scheme of Arrangement was dispensed with in view of the consent given by all the Secured Creditors of the Petitioner which are annexed as Exhibits 'H1' to 'H7' to the affidavit in support the Company Application No. 415 of 2003 AND by the said Order dated 17th day of September, 2003 convening and holding of the meeting of the Unsecured Creditors of the Petitioner was dispensed with in view of the averment made in para 22 of the affidavit in support of the Company Application No. 415 of 2003 AND by the said Order dated 17th day of September 2003, the procedure prescribed under Section 101 (2) of the Companies Act, 1956 was dispensed with in view of the averment made in para (24) of the affidavit in support of Company Application No. 415 of 2003 and the Petitioner was directed to move a Special Resolution in the meeting of the Equity Shareholders of the Petitioner pursuant to the provisions of Section 100 of the Companies Act, 1956 for confirming the utilisation of the share premium account resulting in reduction of share capital AND UPON READING the affidavit of Mr. Keshub Mahindra, Chairman of the meeting of the Equity Shareholders of the Petitioner dated 10th day of October

2003 proving publication of the notice convening meeting of the Equity Shareholders of the Petitioner in the issue of the Free Press Journal dated 1st day of October 2003 and Navshakti dated 1st day of October 2003 and also proving despatch of individual notices convening meeting to the Equity Shareholders of the Petitioner AND UPON READING the Report dated 31st day of October 2003 of Mr. Keshub Mahindra, the Chairman of the meeting of the Equity Shareholders of the Petitioner as to the results of the said meeting AND UPON READING the affidavit of Mr. Keshub Mahindra, Chairman of the meeting dated 31st day of October 2003 verifying the said Report AND IT APPEARS from the report of the Chairman of the meeting of Equity Shareholders of the Petitioner that the arrangement embodied in the Scheme of Arrangement being Exhibit "G" to the said Petition and in Schedule I hereto has been approved by the requisite majority of the Equity Shareholders of the Petitioner representing more than three forth in value of the Equity Shareholders present and voting at the meeting and further the Equity Shareholders also approved by the special resolution, the utilization of the share premium account of the Petitioner resulting in capital reduction under Section 100 of the Companies Act, 1956 AND UPON READING the affidavit dated 10th day of December, 2003 of Mr Chakradhara Paik, Regional

R Director, Western Region, Department of Company Affairs, Maharashtra, Mumbai, stating that the scheme is not prejudicial to the interest of Creditors & Shareholders of the Petitioner AND UPON HEARING Mr. Virag Tulzapurkar, Counsel, instructed by Mr. Rajesh I. Shah, of M/S Rajesh Shah & Co, Advocates for the Petitioner and Mr. R.C. Master, Panel Counsel, instructed by

R Mr. T.C. Kaushik for the Regional Director, Department of Company Affairs, Maharashtra, Mumbai who appears in pursuance of notice herein dated 10th day of November 2003 ~~under section~~ 394A of the Companies Act and submits to the Order of

R the Court AND no other person or persons entitled to appear at the hearing of the petition appearing this day either in support of the petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION the arrangement embodied in the Scheme of Arrangement of Mahindra Eco Mobiles Limited ("the First Transferor Company" or "MEML") and Mahindra Information Technology Services Limited ("the Second Transferor Company" or "MITS") with Mahindra & Mahindra Limited ("the Petitioner" or "M&M" or "the Transferee Company") as set

forth in Exhibit "G" to the said Petition and in the Schedule I hereto AND THIS COURT DOTH HEREBY DECLARE that the said Scheme of Arrangement be binding on the Petitioner and the Transferor Companies and also their respective members/shareholders and creditors AND THIS COURT DOTH ORDER that with effect from the Appointed Date, the entire business and undertakings of the Transferor Companies including all the debts, liabilities, contingent liabilities, duties and obligations of the Transferor Companies of every description and also including, without limitation, all the movable and immovable properties and assets of the Transferor Companies comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and / or deemed to be transferred to and vested in the Petitioner so as to become the properties of the Petitioner AND provided always that the Scheme of Arrangement shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Companies and the Petitioner shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise AND THIS COURT DOTH FURTHER ORDER that all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Companies as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Companies and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Petitioner including any encumbrance on the assets of the Transferor Companies or on any income earned from those assets AND THIS COURT DOTH FURTHER ORDER that 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 4 of the Scheme of Arrangement, shall be continued and / or enforced until the Effective Date as desired by the

Petitioner and as and from the Effective Date shall be continued and enforced by or against the Petitioner in the manner and to the same extent as would or might have been continued and enforced by or against that respective Transferor Company AND THIS COURT DOTH FURTHER ORDER that, subject to other provisions of the Scheme of Arrangement, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to which one or more of the Transferor Companies is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Petitioner, as the case may be, and may be enforced by or against the Petitioner as fully and effectually as if, instead of the Transferor Companies, the Petitioner had been a party thereto AND THIS COURT DOTH FURTHER ORDER that all the willing employees of the Transferor Companies in service on the date immediately preceding the Effective Date shall be deemed to be employed in the Petitioner on such date and such employees shall be employed with the Petitioner without any break or interruption in service for the purpose of calculating retirement benefits and on the terms and conditions not less favourable than those subsisting with reference to the Transferor Companies as on the said date AND THIS COURT DOTH FURTHER ORDER that on the Scheme of Arrangement becoming effective;

- (i) the shares held by the Petitioner in the Transferor Companies being the entire share capital of the Transferor Companies, as appearing in the books of accounts of the Petitioner on the Appointed Date shall stand cancelled; and
- (ii) no shares or consideration shall be issued/paid by the Petitioner in respect of the amalgamations under the Scheme of Arrangement

AND THIS COURT DOTH FURTHER ORDER that the balance in share premium account in the books of the Petitioner shall be utilized to write off and shall stand further reduced by an amount equivalent to the book value of shares held by the Petitioner in the Transferor Companies and any loans and / or advances given to the Transferor Companies AND THIS COURT ^{DOTH} FURTHER ORDER that the reduction of the share premium account of the Petitioner, in terms of and pursuant to the clause 10.1 (iv) of the Scheme of Arrangement, resolved on by the Special Resolution of the members of the Petitioner is

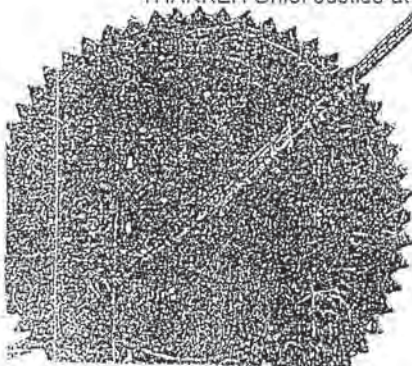
confirmed AND THIS COURT DOTH FURTHER ORDER that the Order sanctioning the Scheme of Arrangement be deemed to be an Order confirming the reduction of share premium account of the Petitioner within the meaning of DOTH Section 102 of the Companies Act, 1956 AND THIS COURT FURTHER ORDER that the Form of Minute being Exhibit - K to the said Petition and annexed hereto as Schedule II is approved in appropriate terms and the Petitioner do within 30 days from the date of Order approving the Minute cause a certified copy of the Minute to be delivered to the Registrar of Companies, Maharashtra, Mumbai, for registration under Section 103 of the Companies Act, 1956 AND THIS COURT DOTH FURTHER ORDER that the Petitioner do within 30 days from the date of the sealing of the Order cause a certified copy of the Order to be delivered to the Registrar of Companies, Maharashtra, Mumbai, for registration and upon such certified copy of the Order being so delivered, the Registrar of Companies, Maharashtra, Mumbai shall place and transfer all the files, records and documents relating to the Transferor Companies with the files and registers kept by him relating to the Petitioner and shall consolidate the files relating to the Transferor Companies and Petitioner accordingly AND THIS COURT DOTH FURTHER ORDER that liberty is reserved to the Petitioner and to all other persons interested in this Petition to apply to this Hon'ble Court hereinafter as and when occasion may arise for any direction that may be necessary in respect of such incidental, consequential & supplemental matters as are necessary to ensure that the said Scheme of Arrangement sanctioned herein shall be fully and effectually carried out AND THIS COURT DOTH FURTHER ORDER the Petitioner do pay a sum of Rs.2500/- (Rupees Two thousand five hundred only) to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said Petition WITNESS SHRI CHUNILAL KARSANDAS THAKKER Chief Justice at Bombay aforesaid this 12th day of December 2003.

BY THE COURT,

FOR PROTHONOTARY & SENIOR MASTER

Seal

Dated this 20th day of January 2004



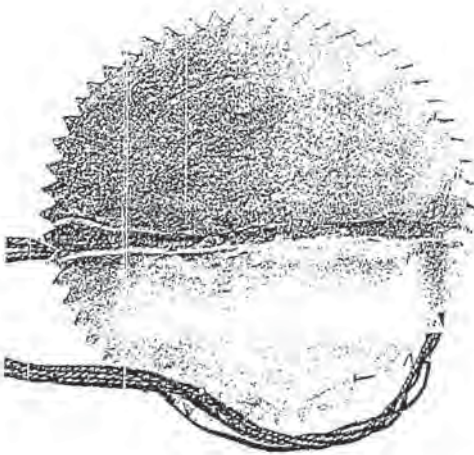
ORDER sanctioning the Scheme of Arrangement)
Under Sections 391 to 394 of the Companies Act, 1956)
drawn on the Application By M/s. RAJESH SHAH)
& CO., Advocates for the Petitioner, having their)
office at 16, Oriental Building, 30, Nagindas)
Master Road, Flora Fountain, Mumbai 400 001.)

... SCHEDULE I & II

SCHEDULE --- II


FORM OF MINUTE

The share premium account of Mahindra & Mahindra Limited as on the Appointed Date specified in the Scheme of Arrangement shall stand reduced by Rs 35,23,13,225 (Rupees Thirty five crores, twenty-three lacs, thirteen thousand, two hundred and twenty five only).



CERTIFIED TO BE A TRUE COPY

This is a true copy of 35 Feb. 06

By  06/02/06
For Secretary and Senior M.L.A.

223104

Rajesh Shah & Co.
Adv Copy Rs. : 12.25
Additional Rs. : 6.00
Total Rs. : 18.25

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 781 OF 2003.

CONNECTED WITH

COMPANY APPLICATION NO. 400 OF 2003.

In the matter of the Companies Act, 1956 (1
of 1956);

AND

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

AND

In the matter of Scheme of Arrangement of
Mahindra Eco Mobiles Limited and Mahindra
Information Technology Services Limited
with Mahindra & Mahindra Limited

MAHINDRA ECO MOBILES LIMITED, a company)
Incorporated under the Companies Act, 1956 and)
having its registered office at Gateway Building,)
Apollo Bunder, Mumbai - 400 001 } Petitioner

Coram : Dr. D. Y. Chandrachud J.

Date : 12th December, 2003.

UPON the Petition of Mahindra Eco Mobiles Limited, the Petitioner abovenamed,
presented to this Honorable Court on 19th day of September 2003 for sanction of
the Scheme of Arrangement of Mahindra Eco Mobiles Limited (hereinafter
referred to as "the Petitioner" or "the First Transferor Company" or "MEML") and
Mahindra Information Technology Services Limited (hereinafter referred to as
"the Second Transferor Company" or "MITS"), (the Petitioner and the Second
Transferor Company hereinafter collectively referred to as 'the Transferor

Companies'), with Mahindra & Mahindra Limited (hereinafter referred to as "the Transferee Company" or "M&M") AND for other consequential reliefs as mentioned in the Petition AND the said Petition being this day called on for hearing and final disposal AND UPON READING the said Petition and the Affidavit of Mr. Kiran K. Ved, Deputy General Manager (Finance & Administration) of the Petitioner solemnly affirmed on 19th day of September 2003, verifying the said Petition AND UPON READING the affidavit of Mr. Hanmant Jadhav, clerk in the office of M/s. Rajesh Shah & Co, Advocates for the Petitioner dated 8th day of December 2003 proving service of the notice of the date of hearing of the Petition upon the Official Liquidator, High Court, Bombay and the Regional Director, Department of Company Affairs, Maharashtra, Mumbai and the Secured and Unsecured Creditors whose consents were not obtained and also proving publication of the notice of the date of hearing of the Petition in the issue of the "Free Press Journal" dated 21st day of November 2003 and "Navshakti" dated 22nd day of November 2003 AND UPON READING the Order dated 10th day of September 2003, made by this Hon'ble Court in and holding Company Application No. 400 of 2003 whereby the convening of the meeting of the Equity Shareholders of the Petitioner to consider and approve the proposed Scheme of Arrangement was dispensed with in view of the consent given by all the Equity Shareholders of the Petitioner, which are annexed as Exhibit 'H1' to 'H8' to the affidavit in support of the Company Application No. 400 of 2003 AND by the said Order dated 10th day of September 2003 convening and holding of the meeting of the Secured and Unsecured Creditors of the Petitioner to consider and approve the proposed Scheme of Arrangement was dispensed with in view of the consent given by 2 Secured Creditors representing 86.42% of the value of the Secured Creditors as on 30th June, 2003 which are annexed as Exhibit 'I-1' and 'I-2' to the Affidavit in support of the Company Application No. 400 of 2003 and the undertaking given by the Petitioner to give notice of hearing of Petition to the only Secured Creditor whose consent has not been obtained And by the said Order dated 10th day of September 2003, meeting of the Unsecured Creditors of the Petitioner to consider and approve the proposed Scheme of Arrangement was dispensed with in view of the consent given by the majority of Unsecured Creditors representing 98.60% of the value of Unsecured Creditors as on 30th

June, 2003 which are annexed as Exhibit 'J-1' to 'J-34' to the Affidavit in support of the Company Application No. 400 of 2003 and the undertaking given by the Petitioner to give notice of hearing of Petition to all the Unsecured Creditors whose consents have not been obtained AND UPON READING the Report dated 8th day of December, 2003 of the Official Liquidator, High Court, Bombay wherein he has opined that the affairs of the Petitioner have not been conducted in a manner prejudicial to the interest of its members or to public interest AND UPON READING the Affidavit dated 10th day of December, 2003 of Mr. Chakradhara Palk, Regional Director, Western Region, Department of Company Affairs, Maharashtra, Mumbai stating that the Scheme is not prejudicial to the interest of the creditors and shareholders of the Petitioner, AND UPON HEARING Mr. Virag Tulzapurkar, Counsel instructed by Mr. Rajesh Shah of M/s. Rajesh Shah & Co., Advocates for the Petitioner and Mr. R.C. Master, Panel Counsel, instructed by Mr. T.C. Kaushik, Regional Director, Department of Company Affairs, Maharashtra, Mumbai, who appears in pursuance of the notice herein dated 26th day of October 2003, under section 394A of the Companies Act, 1956 and submits to the Order of the Court and Mr. S. R. Kom, the Official Liquidator, High Court, Bombay who appears in pursuance of notice herein dated 26th day of September, 2003 under section 394(1) of the Companies Act, 1956 and also submits to the Order of the Court AND no other person or persons entitled to appear at the hearing of the petition appearing this day either in support of the petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION the said arrangement embodied in the Scheme of Arrangement of Mahindra Eco Mobiles Limited ("the Petitioner" or "the First Transferor Company" or "MEML") and Mahindra Information Technology Services Limited ("the Second Transferor Company" or "MITS") with Mahindra & Mahindra Limited ("the Transferee Company" or "M&M") as set forth in Exhibit "G" to the said Petition and in Schedule hereto AND THIS COURT DOTH HEREBY DECLARE that the said Scheme of Arrangement be binding on the Petitioner, the Second Transferor Company and the Transferee Company and also their respective members/shareholders and creditors AND THIS COURT DOTH ORDER that with effect from the Appointed Date, the entire business and undertakings of the Petitioner including all the debts, liabilities, contingent

liabilities, duties and obligations of the Petitioner of every description and also including, without limitation, all the movable and immovable properties and assets of the Petitioner comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and / or deemed to be transferred to and vested in the Transferee Company so as to become the properties of the Transferee Company AND provided always that the Scheme of Arrangement shall not operate to enlarge the security for any loan, deposit or facility availed of by the Petitioner and the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise AND THIS COURT DOTH FURTHER ORDER that all debts, liabilities, contingent liabilities, duties and obligations of the Petitioner as on the Appointed Date whether provided for or not in the books of accounts of the Petitioner and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Petitioner or on any income earned from those assets AND THIS COURT DOTH FURTHER ORDER that all legal proceedings of whatsoever nature by or against any of the Petitioner, pending and / or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clause 4 of the Scheme of Arrangement, shall be continued and / or enforced until the Effective Date as desired by the Transferee Company and as and from the Effective Date shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Petitioner AND THIS COURT DOTH FURTHER ORDER that, subject to other provisions of the Scheme of Arrangement, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to which

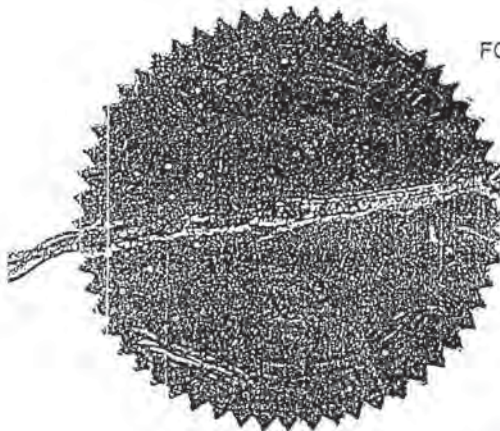
the Petitioner is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Petitioner, the Transferee Company had been a party thereto AND THIS COURT DOTH FURTHER ORDER that all the willing employees of the Petitioner in service on the date immediately preceding the Effective Date shall be deemed to be employed in the Transferee Company on such date and such employees shall be employed with the Transferee Company without any break or interruption in service for the purpose of calculating retirement benefits and on the terms and conditions not less favourable than those subsisting with reference to the Petitioner as on the said date AND THIS COURT DOTH FURTHER ORDER that on the Scheme of Arrangement becoming effective:

- (i) the shares held by the Transferee Company in the Petitioner being the entire share capital of the Petitioner, as appearing in the books of accounts of the Transferee Company on the Appointed Date shall stand cancelled; and
- (ii) no shares or consideration shall be issued/paid by the Transferee Company in respect of the amalgamations under the Scheme of Arrangement

AND THIS COURT DOTH FURTHER ORDER that upon the Scheme of Arrangement becoming effective, the Petitioner shall stand dissolved without winding-up AND THIS COURT DOTH FURTHER ORDER that the Petitioner do within 30 days from the date of sealing of the Order cause a certified copy of the Order sanctioning the Scheme of Arrangement to be delivered to the Registrar of Companies, Maharashtra, Mumbai, for registration and upon such certified copy of the Order being so delivered, the Petitioner shall stand dissolved without winding up and the Registrar of Companies, Maharashtra, Mumbai shall place all the files, documents, records relating to the Petitioner maintained by him with the files and registers kept by him relating to the Transferee Company and shall consolidate files of both the companies accordingly AND THIS COURT DOTH FURTHER ORDER that liberty is reserved to the

Petitioner and to all other persons interested in this Petition to apply to this Hon'ble Court herein as and when occasion may arise for any direction that may be necessary in respect of such incidental, consequential & supplemental matters as are necessary to ensure that the Scheme of Arrangement sanctioned herein shall be fully and effectually carried out AND THIS COURT DOTH LASTLY ORDER THAT the Petitioner do pay a sum of Rs.2500/- (Rupees Two thousand five hundred only) each to the Official Liquidator, High Court, Bombay and to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said Petition WITNESS SHRI CHUNILAL KARSANDAS THAKKER Chief Justice at Bombay aforesaid this 12th day of December 2003.

BY THE COURT,

FOR PROTHONOTARY & SENIOR MASTER

 Dated this 20th day of January 2004
 Scaler

ORDER sanctioning the Scheme of Arrangement)
 under Sections 391 to 394 of the Companies Act,)
 1956 drawn on the Application by M/s. RAJESH)
 SHAH & CO., Advocates for the Petitioner, having)
 their office at 16, Oriental Building, 30, Nagindas)
 Master Road, Flora Fountain, Mumbai 400 001.)

.....SCHEDULE.....

2232/04

Rajesh Shah & Co.
 and Clery Rd. 12-75
 Additional Rs. 1 600
 Total Rs. - 1875

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
 ORDINARY ORIGINAL CIVIL JURISDICTION
 COMPANY PETITION NO. 782 OF 2003
 CONNECTED WITH
 COMPANY APPLICATION NO. 401 OF 2003

In the matter of the Companies Act, 1956 (1
 of 1956);

AND

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

AND

In the matter of Scheme of Arrangement of
 Mahindra Eco Mobiles Limited and Mahindra
 Information Technology Services Limited
 with Mahindra & Mahindra Limited

MAHINDRA INFORMATION TECHNOLOGY)
 SERVICES LIMITED, a company incorporated under)
 the Companies Act, 1956 and having its registered)
 office at Gateway Building, Apollo Bunder, Mumbai -)
 400 001) Petitioner

Coram : Dr. D. Y. Chandrachud J.

Date : 12th December, 2003.

UPON the petition of Mahindra Information Technology Services Limited, the
 Petitioner abovenamed, presented to this Honorable Court on 19th day of
 September 2003 for sanction of the Scheme of Arrangement of Mahindra Eco
 Mobiles Limited ("the First Transferor Company" or "MEML") and Mahindra
 Information Technology Services Limited (hereinafter referred to as "the
 Petitioner" or "the Second Transferor Company" or "MITS"), (the First Transferor

Company and the Petitioner hereinafter collectively referred to as 'the Transferor Companies'), with Mahindra & Mahindra Limited (hereinafter referred to as "the Transferee Company" or "M&M") AND for other consequential reliefs as mentioned in the petition AND the said petition being this day called on for hearing and final disposal AND UPON READING the said petition and the Affidavit of Mr. T.R. Kulashakar, Head - Finance & Accounts of the Petitioner solemnly affirmed on 19th day of September 2003, verifying the said petition AND UPON READING the affidavit of Mr. Hanmant Jadhav, clerk in the office of M/s Rajesh Shah & Co, Advocates for the Petitioner dated 8th day of December 2003 proving service of the notice of the date of hearing of the petition upon the Official Liquidator, High Court, Bombay and the Regional Director, Department of Company Affairs, Maharashtra, Mumbai and the Unsecured Creditors whose consents were not obtained and also proving publication of the notice of the date of hearing of the petition in the issue of the "Free Press Journal" dated 21st day of November 2003 and "Navshakti" dated 22nd day of November 2003 AND UPON READING the Order dated 10th day of September 2003, made by this Hon'ble Court in Company Application No. 401 of 2003 whereby the convening ^{and holding} of the meeting of the Equity Shareholders of the Petitioner to consider and approve the proposed Scheme of Arrangement was dispensed with in view of the consent given by all the Equity Shareholders of the Petitioner, which are annexed as Exhibit 'H1' to 'H7' to the Affidavit in support of the Company Application No. 401 of 2003 AND by the said Order dated 10th day of September 2003 convening and holding of the meeting of the Secured Creditors of the Petitioner to consider and approve the Scheme of Arrangement was dispensed with in view of the consent given by the only Secured Creditor as on 30th June, 2003 which is annexed as Exhibit 'I' to the Affidavit in support of the Company Application No. 401 of 2003 AND by the said Order dated 10th day of September, 2003 convening and holding of the meeting of the Unsecured Creditors of the Petitioner was dispensed with in view of the consents given by majority of the Unsecured Creditors representing 99.43% of the Unsecured Creditors as on 30th June, 2003 which are annexed as Exhibit 'J-1' to 'J-16' to the Affidavit in support of the Company Application No. 401 of 2003 and the undertaking given by the Petitioner to give notice of hearing of the petition to the Unsecured Creditors

whose consent is not obtained AND UPON READING the Report dated 8th day of December, 2003 of the Official Liquidator, High Court, Bombay wherein he has opined that the affairs of the Petitioner have not been conducted in a manner prejudicial to the interest of its members or to public interest AND UPON READING the Affidavit dated 10th day of December, 2003 of Mr. Chakradhara Paik, Regional Director, Western Region, Department of Company Affairs, Maharashtra, Mumbai, stating that the Scheme is not prejudicial to the interest of the creditors and shareholders of the Petitioner. AND UPON HEARING Mr. Virag Tulzapurkar, Counsel instructed by Mr. Rajesh Shah of M/S. Rajesh Shah & Co., Advocates for the Petitioner and Mr. R.C. Master, Panel Counsel, instructed by Mr. T.C. Kalshik for Regional Director, Department of Company Affairs, Maharashtra, Mumbai, who appears in pursuance of the notice herein dated 26th day of October 2003, under Section 394A of the Companies Act 1956 and submits to the Order of the Court and Mr. S. R. Kom^{the} Official Liquidator, High Court, Bombay who appears in pursuance of notice herein dated 26th day of September, 2003 under section 394(1) of the Companies Act, 1956 and also submits to the Order of the Court AND no other person or persons entitled to appear at the hearing of the petition appearing this day either in support of the petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION the said arrangement embodied in the Scheme of Arrangement of Mahindra Eco Mobiles Limited ("the First Transferor Company" or "MEML") and Mahindra Information Technology Services Limited ("the Petitioner" or "the Second Transferor Company" or "MITS") with Mahindra & Mahindra Limited ("the Transferee Company" or "M&M") as set forth in Exhibit "G" to the said petition and in Schedule hereto AND THIS COURT DOTH HEREBY DECLARE that the said Scheme of Arrangement be binding on the Petitioner, the First Transferor Company and the Transferee Company and also their respective members/shareholders and creditors AND THIS COURT DOTH ORDER that with effect from the Appointed Date, the entire business and undertakings of the Petitioner including all the debts, liabilities, contingent liabilities, duties and obligations of the Petitioner of every description and also including, without limitation, all the movable and immovable properties and assets of the Petitioner comprising amongst others all investments, vehicles, furniture and fixtures,

computers, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and / or deemed to be transferred to and vested in the Transferee Company so as to become the properties of the Transferee Company AND provided always that the Scheme of Arrangement shall not operate to enlarge the security for any loan, deposit or facility availed of by the Petitioner and the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise AND THIS COURT DOTH FURTHER ORDER that all debts, liabilities, contingent liabilities, duties and obligations of the Petitioner as on the Appointed Date whether provided for or not in the books of accounts of the Petitioner and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Petitioner or on any income earned from those assets AND THIS COURT DOTH FURTHER ORDER that all legal proceedings of whatsoever nature by or against ~~xxx~~ of the Petitioner pending and / or arising at the Appointed Date or its properties, assets, debts, liabilities, duties and obligations referred to in clause 4 of the Scheme of Arrangement, shall be continued and / or enforced until the Effective Date as desired by the Transferee Company and as and from the Effective Date shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Petitioner AND THIS COURT DOTH FURTHER ORDER that, subject to other provisions of the Scheme of Arrangement, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to which the Petitioner is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if,

instead of the Petitioner, the Transferee Company had been a party thereto AND THIS COURT DOTH FURTHER ORDER that all the willing employees of the Petitioner in service on the date immediately preceding the Effective Date shall be deemed to be employed in the Transferee Company on such date and such employees shall be employed with the Transferee Company without any break or interruption in service for the purpose of calculating retirement benefits and on the terms and conditions not less favourable than those subsisting with reference to the Petitioner as on the said date AND THIS COURT DOTH FURTHER ORDER that on the Scheme of Arrangement becoming effective:

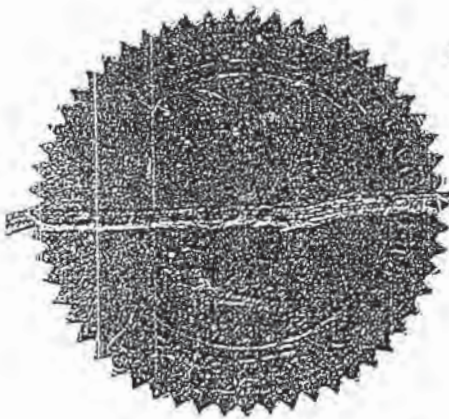
- (i) the shares held by the Transferee Company in the Petitioner being the entire share capital of the Petitioner, as appearing in the books of accounts of the Transferee Company on the Appointed Date shall stand cancelled; and
- (ii) no shares or consideration shall be issued/paid by the Transferee Company in respect of the amalgamations under the Scheme of Arrangement


AND THIS COURT DOTH FURTHER ORDER that upon the Scheme of Arrangement becoming effective, the Petitioner shall stand dissolved without winding-up AND THIS COURT DOTH FURTHER ORDER that the Petitioner do, within 30 days from the date of sealing of the Order cause a certified copy of the Order sanctioning the Scheme of Arrangement to be delivered to, the Registrar of Companies, Maharashtra, Mumbai, for registration and upon such certified copy of the Order being so delivered the Petitioner shall stand dissolved without winding up and , the Registrar of Companies, Maharashtra, Mumbai shall place all the files, documents, records relating to the Petitioner maintained by him with the files and registers kept by him relating to the Transferee Company and shall consolidate the files of both the companies accordingly AND THIS COURT DOTH FURTHER ORDER that liberty is reserved to the Petitioner and to all other persons interested in this petition to apply this Hon'ble Court herein as and when occasion may arise for any direction that may be necessary in respect of such incidental, consequential & supplemental matters as are

necessary to ensure that the Scheme of Arrangement sanctioned herein shall be fully and effectually carried out AND THIS COURT DOTH LASTLY ORDER THAT the Petitioner do pay a sum of Rs.2500/- (Rupees Two thousand five hundred only) each to the Official Liquidator, High Court, Bombay and to the Regional Director, Department of Company Affairs, Maharashtra, Mumbai towards the costs of the said petition WITNESS SHRI CHUNILAL KARSANDAS THAKKER Chief Justice at Bombay aforesaid this 12th day of December 2003.

BY THE COURT,


FOR PROTHONOTARY & SENIOR MASTER




Sealer
Dated this 20th day of January 2004

ORDER sanctioning the Scheme of Arrangement)
under Section 391 to 394 of the Companies Act,)
1956 drawn on the Application By M/s. RAJESH)
SHAH & CO., Advocates for the Petitioner, having)
their office at 16, Oriental Building, 30, Nagindas)
Master Road, Flora Fountain, Mumbai 400 001.)

.....SCHEDULE.....

SCHEDULE - I

SCHEME OF ARRANGEMENT
of
MAHINDRA ECO MOBILES LIMITED
and
MAHINDRA INFORMATION TECHNOLOGY SERVICES LIMITED
with
MAHINDRA & MAHINDRA LIMITED

This Scheme of Arrangement is presented for the amalgamation of Mahindra Eco Mobiles Limited and Mahindra Information Technology Services Limited as going concerns with Mahindra & Mahindra Limited pursuant to Sections 391 to 394 and Section 78 read with Section 100 and other applicable provisions of the Companies Act, 1956

1. DEFINITION

- 1.1 "Act" means the Companies Act, 1956, and shall include any statutory modifications, re-enactment or amendment thereof.
- 1.2 "Appointed Date" means opening business hours of 1st day of July, 2003.
- 1.3 "Associate" means a company in which M&M holds directly or indirectly through its Subsidiary/(ies) 20% or more of the voting power of such company and, which is not a Subsidiary of M&M
- 1.4 "Effective Date" means the date of the registration of the Order, of the High Court or any other appropriate authority under the Act, by the Registrar of Companies, Maharashtra.
- 1.5 "Group Companies" means a Subsidiary or an Associate
- 1.6 "Investments" means the investments made by M&M in the securities of other companies.
- 1.7 "MEML" means Mahindra Eco Mobiles Limited, a company incorporated under the Act and having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001. (hereinafter also referred to as "the First Transferor Company").
- 1.8 "MITS" means Mahindra Information Technology Services Limited, a company incorporated under the Act and having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001. (hereinafter also referred to as "the Second Transferor Company").

- 1.9 "M&M" or "the Transferee Company" means Mahindra & Mahindra Limited, a company incorporated under the Indian Companies Act, VII of 1913 and having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001.
- 1.10 "Net Asset Value" means the sum total of issued and subscribed share capital plus reserves and surplus as reduced by miscellaneous expenditure (to the extent not written off or adjusted), debit balance of profit and loss account and goodwill as per the latest audited books of accounts.
- 1.11 "Other Assets" means all loans and / or advances due and outstanding to M&M by other companies.
- 1.12 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form submitted to the High Court of Judicature at Bombay or any other appropriate authority or with any modification(s) made under clause 14 of this Scheme or with such other modifications/amendments as the High Court or any other appropriate authority may direct.
- 1.13 "Subsidiary" means a subsidiary of M&M under Section 4 of the Act.
- 1.14 "Transferor Companies" means MEML and MITS collectively.
- 1.15 "Transferor Company" means individually each of the Transferor Companies.

2. OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Judicature at Bombay or any other appropriate authority shall be operative from the Appointed Date.

3. BACKGROUND

- 3.1 The share capital of MEML as on March 31, 2003 is as under:

	Amount in Rs.
Authorised;	
30,00,000 equity shares of Rs. 10 each	3,00,00,000
	<u>3,00,00,000</u>

Issued, Subscribed and Paid-up:

15,00,000 equity shares of Rs. 10 each fully
paid-up

1,50,00,000

1,50,00,000

The entire share capital of MEML is held by M&M and its nominees
There has been no change in the capital structure of MEML subsequent
to March 31, 2003.

3.2 The share capital of MITS as on March 31, 2003 is as under:

Amount in Rs.

Authorised:

2,00,00,000 equity shares of Rs. 10 each

20,00,00,000

20,00,00,000

Issued, Subscribed and Paid-up:

1,00,90,100 equity shares of Rs. 10 each fully
paid-up

10,09,01,000

10,09,01,000

The entire share capital of MITS is held by M&M and its nominees. There
has been no change in the capital structure of MITS subsequent to March
31, 2003.

3.3 The share capital of M&M as on March 31, 2003 is as under:

Amount in Rs.

Authorised:

17,50,00,000 equity shares of Rs. 10 each

1,75,00,00,000

25,00,000 Unclassified shares of Rs.100
each

25,00,00,000

2,00,00,00,000

Issued and Subscribed:

11,60,08,599 equity shares of Rs. 10 each

1,16,00,85,990

1,16,00,85,990

There has been no change in the capital structure of M&M subsequent to
March 31, 2003.

4. MERGER OF THE TRANSFEROR COMPANIES WITH M&M

- 4.1 With effect from the Appointed Date, the entire business and
undertakings of the Transferor Companies including all the debts,
liabilities contingent liabilities duties and obligations of the Transferor

Companies of every description and also including, without limitation, all the movable and immovable properties and assets of the Transferor Companies comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, trademarks, patents, permits, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in M&M so as to become the properties of M&M.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Companies and M&M shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise.

- 4.2 The transfer of property and liabilities and the continuance of proceedings by M&M under clause 4.1 above and clause 5 shall not affect any transaction or proceedings already concluded by the Transferor Companies on or after the Appointed Date till the Effective Date to the end and intent that M&M accepts and adopts all acts, deeds and things done and executed by that respective Transferor Company in regard thereto as done and executed by M&M on behalf of itself. Furthermore, as from the Appointed Date, the Transferor Companies shall be deemed to have carried on and to be carrying on their respective businesses on behalf of and in trust for M&M until such time as the Scheme takes effect.

- 4.3 It is clarified that all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Companies as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Companies and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall be the debts, liabilities, duties and obligations of M&M including any encumbrance on the assets of the Transferor Companies or on any income earned from those assets.

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 4, shall be continued and /or enforced until the Effective Date as desired by M&M and as and from the Effective Date shall be continued and enforced by or against M&M 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. CONTRACTS, DEEDS, ETC.

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature relating to which one or more of the Transferor Companies is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of M&M, as the case may be, and may be enforced by or against M&M as fully and effectually as if, instead of the Transferor Companies, M&M had been a party thereto. M&M shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which one or both of the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, M&M shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

7. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

7.1 With effect from the Appointed Date and upto the Effective Date,

- (i) The Transferor Companies shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their entire business and undertakings for and on account of and in trust for M&M;
- (ii) 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 and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of M&M; and
- (iii) The Transferor Companies shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business or vary the terms and conditions of employment of any of their employees in each case without the prior consent of M&M.

- 7.2 M&M shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which M&M may require to carry on the business of the Transferor Companies.

8. EMPLOYEES OF THE TRANSFEROR COMPANIES

- 8.1 All the willing employees of the Transferor Companies in service on the date immediately preceding the Effective Date shall be deemed to be employed in M&M on such date and such employees shall be employed with M&M without any break or interruption in service for the purpose of calculating retirement benefits and on the terms and conditions not less favourable than those subsisting with reference to the Transferor Companies as on the said date.

- 8.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Companies shall become trusts/funds of M&M for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such Fund or Funds shall become those of M&M. It is clarified that the services of the staff, workmen and employees of the Transferor Companies which are employed with M&M will be treated as having been continuous for the purpose of the said Fund or Funds and also for determining their separation benefits.

9. CONSIDERATION

On the scheme becoming effective:

- (i) The shares held by M&M in MITS & MEML, being the entire share capital of MITS and MEML, as appearing in the books of accounts of M&M on the Appointed Date shall stand cancelled; and
- (ii) No shares or consideration shall be issued/paid by M&M in respect of the amalgamations under the Scheme.

10. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF M&M

10.1 On the Scheme becoming effective, M&M shall account for the amalgamation under the Scheme in its accounts for the year ending March 31, 2004, as under:

- (i) All assets (other than the investments covered under clause 10.1(ii) below) and all liabilities (other than loans and / or advances due to M&M) of the Transferor Companies, shall be recorded by M&M at their respective book values;
- (ii) The investments in Group Companies held by the Transferor Companies, appearing in their respective books of accounts, will be recorded by M&M on the Effective Date, based on the Net Asset Value of the respective Group Companies as per the latest available audited financial statements relating to a period ending on or before the Appointed Date, proportionate to the Transferor Companies' holdings therein;
- (iii) The loans and / or advances due to M&M by the Transferor Companies appearing in the books of accounts of the Transferor Companies shall be taken over and recorded at NIL value;
- (iv) The book value of the shares held by M&M as on the Appointed Date in MITS and MEML cancelled pursuant to clause 9 (i) and any loans and / or advances given to MITS and / or MEML, appearing in the books of accounts of M&M as on the Appointed Date shall be debited to the share premium account (or any other name by whatsoever called) of M&M and such adjustment shall be deemed to be an adjustment in accordance with all provisions of the Act.
- (v) The surplus, if any, of value of the assets over the value of liabilities of the Transferor Companies transferred to and recorded in the books of accounts of M&M, subject to adjustments as mentioned above, pursuant to the Scheme shall be transferred to the existing 'Investment Fluctuation Reserve' Account. Further, to the extent of such surplus, the consolidated accounts of M&M would also reflect the same as 'Investment Fluctuation Reserve' Account with a corresponding adjustment to the General Reserve. However, if the value of liabilities of the Transferor Companies exceeds the value of assets, the difference shall be reflected as goodwill in the books of accounts of M&M.

The application and reduction of the share premium account (or any other name by whatsoever called), as per sub-clause (iv) above, shall be

effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

- 10.2 The aggregate amount under the account 'Investment Fluctuation Reserve' appearing in the books of accounts of M&M shall be utilized, to the extent considered necessary by the Board of Directors of M&M from time to time, for providing diminution in value of and / or loss on sale of Investments and Other Assets of M&M. The aforesaid treatment shall be through the Profit & Loss Account so that any such diminution and / or loss shall be offset therein and such treatment shall be deemed to be in accordance with all provisions of the Act. As and when the Board of Directors of M&M determines that a part or whole of the balance remaining in Investment Fluctuation Reserve is no longer required for making any provision for such diminution and / or loss, then such part or whole of the balance, so determined, can be transferred to the general reserve account and shall be deemed to be general reserve for all purposes under the provisions of the Act. Further, for the purposes of the consolidated accounts of M&M, an identical accounting treatment shall be followed as applicable.

11. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 11.1 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 11.2 The approval by the requisite majorities of the members of M&M and the Transferor Companies as directed by High Court of Judicature at Bombay or any other appropriate authority under Section 391 and 100 of the Act.
- 11.3 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.
- 11.4 All other sanctions and approvals as may be required by law including registration of the Order, of the High Court or any other appropriate authority, by the Registrar of Companies, Maharashtra, under Section 103 of the Act, in respect of this Scheme being sanctioned.

12. WINDING UP

On the Scheme becoming effective, the Transferor Companies shall be dissolved without being wound up.

13. APPLICATION TO HIGH COURT

M&M and the Transferor Companies shall, with all reasonable dispatch, make applications to the High Court of Judicature at Bombay or any other appropriate authority where the registered offices of all the Companies are situated, for sanctioning the Scheme of Arrangement under Section 391 to 394 of the Act, and for dissolution of the Transferor Companies without being wound up.

14. MODIFICATION OR AMENDMENTS TO THE SCHEME

M&M and the Transferor Companies by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). M&M and the Transferor Companies by their respective Board of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

15. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented in its present form, then the Board of Directors of M&M, and the Transferor Companies shall mutually waive or modify such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement or in case this Scheme is not sanctioned by the High Court of Judicature at Bombay or such other appropriate authority, then the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

16. COSTS, CHARGES AND EXPENSES

M&M shall bear and pay all costs, charges, expenses, taxes including duties, levies in connection with the Scheme.

HIGH COURT, BOMBAY

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 373 OF 2008

CONNECTED WITH

COMPANY APPLICATION NO. 279 OF 2008

MAHINDRA HOLDINGS & FINANCE LIMITED

.....Petitioner / Transferor Company.

WITH

COMPANY PETITION NO.374 OF 2008

CONNECTED WITH

COMPANY APPLICATION NO. 280 OF 2008



MAHINDRA AND MAHINDRA LIMITED

.....Petitioner / Transferee

In the matter of the Companies Act,
1956 (1 of 1956);

AND

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

AND

In the matter of Scheme of
Amalgamation of Mahindra Holdings &
Finance Limited with Mahindra and
Mahindra Limited and their respective
Shareholders

Ms Alpana Ghone with Mr. Rajesh Shah I/b Rajesh Shah & Co. for the
Petitioners.

Mr. S. Ramakantha Dy. Official Liquidator in CP No. 373 of 2008.

HIGH COURT, BOMBAY

0966634

-: 2 :-


As Purnima Avasthi i/b Mr. S.K. Mohapatra for Regional Director in both the petitions.

CORAM: S. A. Bobde, J.

DATE: 18th July, 2008

PC:

1. Heard learned counsel for the parties.
2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956 to the Scheme of Amalgamation of Mahindra Holdings & Finance Limited, the Transferor Company with Mahindra and Mahindra Limited, the Transferee Company and their respective Shareholders.



Counsel appearing on behalf of the Petitioners has stated that they have complied with all requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, Petitioner Companies also undertakes to comply with all statutory requirements if any, as required under the Companies Act, 1956 and the rules made there under.

4. The Regional Director does not object to the Scheme on any ground much less it being prejudicial to the interest of the creditors, shareholders and general public. However, he sets out in para 6 that the transferor company is carrying non-banking finance business (not accepting public deposit). It must seek necessary approval of Reserve Bank of India.

5. Mr. Uday Phadke, Director of the Petitioner in Company

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HIGH COURT, BOMBAY

Petition No. 373 of 2008 has filed an affidavit annexing therewith the circular of the RBI

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dated 24th January, 2006. He states that the Compliance has to be made with the policy directives of RBI post sanction. There is no question of any prior permission / no objection / approval as is clear from this affidavit and the annexures thereto. The Learned counsel for the Regional Director does not press the objection in view of the affidavit of Mr Uday Phadke dated 17th July, 2008.

6. The Official Liquidator has filed report in Company Petition No.373 of 2008 stating therein 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.

7. In my view, the deponent having set out the Scheme so also made a statement on oath that it shall inform RBI about the Court's order and the Scheme in details, it is not necessary to issue any further directions. I am satisfied that the Scheme does not affect the interest of the creditors, shareholders and general Public. In the result Company Petition No. 373 of 2008 filed by the Transferor Company is made absolute in terms of prayer clauses (a) to (d). Company Petition No. 374 of 2008 filed by the Transferee Company is made absolute in terms of prayer clauses (a) to (c).

8. The Petitioner Companies to lodge a copy of this order and the Scheme with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 30 days of obtaining the certified copy and/or an

HIGH COURT, BOMBAY

0966636

authenticated copy of the order.

9. The Petitioners in all the Company Petitions to pay cost of

- 4 -

Rs.7,500/- each to the Regional Director in all the Petitions and to the Official Liquidator by the Petitioner in the Company Petition No. 373 of 2008 filed by the Transferor Company. Costs to be paid within four weeks from today.

10. Filing and issuance of the drawn up order is dispensed with.

11. All authorities concerned to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court, Bombay.



(S. A. Bobde, J)

TRUE-COPY
M. D. Narvekar
 M. D. NARVEKAR on 10/8/08
 COMPANY REGISTRAR
 HIGH COURT (O.S.)
 BOMBAY

TRUE COPY
Section Officer
 Section Officer
 High Court, Appellate Side
 Bombay.

Scheme of Amalgamation

of

Mahindra Holdings & Finance Limited

with

Mahindra and Mahindra Limited

And

their respective shareholders

Under Sections 391 to 394 of the Companies Act, 1956

This Scheme of Amalgamation provides for the amalgamation of Mahindra Holdings & Finance Limited with Mahindra and Mahindra Limited pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

1. DEFINITIONS

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

- 1.1 "the Act" means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force.
- 1.2 "the Appointed Date" means opening business hours of February 1, 2008 or such other date as may be directed or imposed by the High Court or such other competent authority, as may be applicable.
- 1.3 "the Effective Date" or "coming into effect of this Scheme" means the date on which the certified copies of the orders sanctioning this Scheme passed by the High Court or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Maharashtra, Mumbai.
- 1.4 "High Court" means High Court of Judicature at Bombay or such other competent authority and shall include the National Company Law Tribunal, if applicable;

- 1.5 "Investments" means the investments made by M&M in the securities of other companies, including "Interest in Trust" as referred to in Clause 11.1(b) of this Scheme.
- 1.6 "MHFL" or "the Transferor Company" means Mahindra Holdings & Finance Limited, a company incorporated under the Companies Act, 1956 having its registered office at Mahindra Towers, P.K.Kurke Chowk, Worli, Mumbai-400018.
- 1.7 "M&M" or "the Transferee Company" means Mahindra and Mahindra Limited, a company incorporated under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001.
- 1.8 "Other Assets" means all amounts of loans and / or advances due and outstanding to the Transferee Company by other companies.
- 1.9 "the Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 15 of this Scheme as approved or directed by the High Court or such other competent authority, as may be applicable.
- 1.10 "the Undertaking" shall mean the entire business and undertaking of the Transferor Company and shall include (without limitation):
- (a) All the investments, assets and properties of the Transferor Company as on the Appointed Date (hereinafter referred to as "the said assets");
 - (b) All the debts, liabilities, duties and obligations of the Transferor Company 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 Undertaking of the Transferor Company shall include the reserves, balances in the Profit and Loss Account, the movable and immovable properties including equipments, furnitures, fixtures, vehicles, 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 Company, investments, claims, powers, authorities,



allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, 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, 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 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, benefits under the Sales Tax Act, sales tax set-off, benefits of any unutilised MODVAT/CENVAT/Service tax credits, 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 Company as on the Appointed Date.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts Regulation Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT

The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from

the Appointed Date and shall be in accordance with Section 2(1B) of the Income Tax Act, 1961.

3. SHARE CAPITAL

- 3.1 As on January 31, 2008, the authorised, issued and subscribed share capital of the Transferor Company is as under:

Authorised Capital	(Rupees in Lacs)
15,00,00,000 Equity Shares of Rs 10 each	150,00.00
TOTAL	150,00.00
Issued, Subscribed & Paid-up Capital	
14,66,00,693 Equity Shares of Rs 10 each fully paid up	146,60.07
TOTAL	146,60.07

Out of the above, 14,66,00,593 equity shares of the Transferor Company are held by the Transferee Company. The balance 100 equity shares are held by Mahindra Intertrade Limited, a subsidiary of the Transferee Company.

- 3.2 As on January 31, 2008, the authorised, issued and subscribed share capital of the Transferee Company is as under:

Authorised Capital	(Rupees in Lacs)
37,50,00,000 Ordinary (Equity) Shares of Rs. 10 each	375,00.00
25,00,000 Unclassified Shares of Rs. 100 each	25,00.00
Total	400,00.00
Issued and Subscribed	
24,57,41,813 Ordinary (Equity) Shares of Rs. 10/- each fully paid-up	245,74.18
Less:	
66,68,431 Ordinary (Equity) Shares of Rs.10 each fully paid-up issued to ESOP Trust but not allotted to employees	6,66.84
Adjusted Issued and Subscribed Share Capital	239,07.34

4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and the Undertaking of the Transferor Company including all the debts, liabilities, duties and obligations of the Transferor Company of every description and also including, without limitation, all the movables and immovable properties and assets of the Transferor Company comprising amongst others all investments, vehicles, furniture and fixtures, computers, office equipment, permits, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and liabilities of the Transferee Company.



- Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company and the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise.
- 4.2 The transfer of assets and liabilities pursuant to Clause 4.1 above and the continuance of proceedings by the Transferee Company pursuant to Clause 7 shall not affect any transaction or proceedings already concluded by Transferor Company on or after the Appointed Date till 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 Company in regard thereto, as if done and executed by the Transferee Company on behalf of itself. Furthermore, as from the Appointed Date, the Transferor Company shall carry on and be deemed to have carried on its business on behalf of and in trust for the Transferee Company until such time as the Scheme takes effect.
- 4.3 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but

which relates to the period on or upto the day of the Appointed Date shall, pursuant to the Orders of the High Court of Judicature at Bombay or such other competent authority as may be applicable under Section 394 and other applicable provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

5.1 Upon the coming into effect of this Scheme and subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements, arrangements, assurances and other instruments (including all tenancies, leases, and other assurances in favor of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is 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 against or in favour of the Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Company, the Transferee Company had been the party thereto or the beneficiary or obligee thereof.

5.2 The Transferee Company shall, if so required or becomes necessary, upon the coming into effect of this Scheme enter into and/or issue and/or execute deeds, writings or confirmations to give effect to the provisions in Clause 5.1.

6. TREATMENT OF EMPLOYEES

6.1 Employees, if any, of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of all employees of the Transferor Company shall be taken into account from the date of

their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account.

- 6.2 The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company;

It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company. In respect of the employees transferred with the Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to adopt such course of action in this regard as may be advised provided, however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.



7. LEGAL PROCEEDINGS

If any suit, appeal or other legal proceedings of whatever nature are pending by or against the Transferor Company on or before the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as

it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

8. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

8.1 With effect from the Appointed Date and upto and including the Effective Date:

- (a) The Transferor Company shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the Undertaking for and on account of and for the benefit of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- (b) The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior written consent of the Transferee Company, (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets comprising the Undertaking or any part thereof or undertake any financial commitments of any nature whatsoever; except in the ordinary course of business (ii) nor shall it undertake any new business or substantially expand its existing business.
- (c) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred by the Transferor Company, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be.
- (d) The Transferor Company shall not alter its equity 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, reclassification, sub-division, consolidation, re-organisation or in any other manner, which may in any way affect the share exchange ratio prescribed hereunder, except by and with the consent of the Board of Directors of the Transferee Company.

- (e) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government 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 Company.

9. DECLARATION OF DIVIDENDS

The Transferor Company shall not after the Appointed Date declare dividend without the prior written consent of the Transferee Company.

10. CONSIDERATION

- 10.1 Notwithstanding anything to the contrary contained in this Scheme, 5,13,10,208 (Five Crore Thirteen Lakh Ten Thousand Two Hundred and Eight only) equity shares held by the Transferee Company in the Transferor Company shall stand vested by virtue of this Scheme with effect from the date of the Order of the High Court sanctioning the Scheme, and without any further act, instrument or deed, to an individual trustee or a board of trustees (including the survivors or survivor of any of the trustees-comprising such board of trustees) or a corporate trustee, as the case may be, (hereinafter referred to as the "Trustees") to have and to hold such shares in trust together with all additions or accretions thereto and all shares of the Transferee Company issued in lieu thereof upon trust exclusively for the benefit of the Transferee Company subject to the powers, provisions, discretions, rights and agreements contained in the instrument (the "Trust Deed") establishing the aforesaid trust (the "Trust"). It is proposed that the Trustee may, subject however to the prevailing market conditions, sell, transfer or dispose of the shares held by it at such time or times and in such manner as may be proper in accordance with provisions of the Trust Deed and shall remit the proceeds thereof to the Transferee Company. The obligations of the Trustees shall stand discharged and the Trust shall stand terminated in accordance with the provisions of Trust Deed.

- 10.2 On the Scheme becoming effective and subject to Clause 10.1, the equity shares held by the Transferee Company and/ or any subsidiary company of the Transferee Company, in the Transferor Company, shall stand cancelled and the

Transferee Company shall not be required to issue any shares in consideration of such shares under the Scheme.

- 10.3 After giving effect to Clause 10.1 and Clause 10.2 of the Scheme and pursuant to the Scheme coming into effect and upon the entire businesses and the whole of the Undertaking of the Transferor Company being transferred to and vested in the Transferee Company, the Transferee Company shall issue and allot 1 (ONE) equity share of Rs. 10 each fully paid up in its capital in respect of every 4 (FOUR) equity shares of Rs. 10 each fully paid up in the equity share capital of the Transferor Company (the "Share Exchange Ratio") to the shareholders of the Transferor Company whose names appear in the Register of Members on the Effective Date.
- 10.4 The equity shares to be issued and allotted by the Transferee Company as per Clause 10.3 (hereinafter referred to as the "New Equity Shares") shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu in all respects, including dividend, with the existing equity shares of the Transferee Company.
- 10.5 In case any member's holding in the Transferor Company is such that the member becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall round off the said entitlement to the nearest integer.
- 10.6 The issue and allotment of New Equity Shares by Transferee Company to the shareholders of the Transferor Company as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 81(1A) and any other Applicable provisions of the Act and such other statutes and regulations as may be applicable were duly complied with.
- 10.7 The Transferee Company shall issue and allot to the shareholders of the Transferor Company, whose names appear on the Register of Members on the Effective Date, as provided in Clause 10.3 herein above, the requisite number of New Equity Shares of the face value of Rs 10 each in the Share Exchange Ratio in physical or electronic form, at the option of the shareholder, and the current shares of the Transferor Company held by such shareholders shall be deemed to have been automatically cancelled and be of no effect on and from the Effective Date.

- 10.8 The New Equity Shares of the Transferee Company, issued pursuant to this Scheme shall be listed and/or admitted to trading on all the stock exchanges on which the shares of the Transferee Company are listed as on the Effective Date. The New Equity Shares shall however be listed subject to the Transferee Company complying with all the applicable regulations and obtaining the requisite approvals from all the relevant regulatory authorities pertaining to the listing of New Equity Shares.

11. ACCOUNTING TREATMENT

- 1.1 On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as under:

- (a) All the assets and liabilities as on the Appointed Date, recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their book values as appearing in the books of the Transferor Company;
- (b) The Transferee Company shall account for the book value of investments in the share capital of the Transferor Company in respect of the shares of the Transferor Company vested in the Trust as per Clause 10.1 of the Scheme as "Interest in Trust" at such book value; and pursuant to the Scheme becoming effective, such book value shall not be adjusted/ revalued/ restated on receipt of New Equity Shares of the Transferee Company by the Trust in lieu of its holding in the Transferor Company. The Transferee Company's balance investments in the share capital of the Transferor Company shall stand cancelled.



shall be transferred to General Reserve Account of the Transferee Company;

- (d) The balance in "Profit and Loss Account" of the Transferor Company shall be transferred to Profit and Loss Account of Transferee Company;
- (e) The excess of the value of the net assets of the Transferor Company as arrived at in sub-clause (a) above; over the book value of shares which are


cancelled as in sub-clause (b) above, the face value of shares allotted by the Transferee Company, the 'General Reserve Account' as per sub-clause (c) above and the 'Profit and Loss Account' as per sub-clause (d) above, shall be credited to existing 'Investment Fluctuation Reserve' Account. Further, to the extent of such surplus, the consolidated accounts of the Transferee Company would also reflect the same as 'Investment Fluctuation Reserve' Account with a corresponding adjustment to the General Reserve. In case of there being a shortfall, the same shall be debited to Goodwill Account.

- 11.2 The aggregate amount under this head the account 'Investment Fluctuation Reserve' appearing in the books of accounts of the Transferee Company shall be utilized, to the extent considered necessary by the Board of Directors of the Transferee Company from time to time, for providing diminution in value of and / or loss on sale of Investments and Other Assets of the Transferee Company. Further, any reversal of such provisioning at anytime later would be adjusted to the same 'Investment Fluctuation Reserve' account. The aforesaid treatment shall be through the Profit & Loss Account so that any such diminution (or reversal thereof) and / or loss shall be offset therein and such treatment shall be deemed to be in accordance with all provisions of the Act. As and when, the Board of Directors of the Transferee Company determines that a part or whole of the balance remaining in Investment Fluctuation Reserve is no longer required for making any provision for such diminution and / or loss in value of Investments and Other Assets; then such part or whole of the balance, so determined, by the Board of Directors of the Transferee Company, can be transferred to the General Reserve Account and shall be deemed to be general reserve for all purposes under the provisions of the Act. Further, for the purposes of the consolidated accounts of the Transferee Company, an identical accounting treatment shall be followed as applicable.

- 11.3 In case of any difference in accounting policy between the Transferor Company 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.

12. COMBINATION OF AUTHORISED CAPITAL

- 12.1 Upon sanction 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 authorised share capital of Transferor Company amounting to Rs.150,00,00,000 (Rupees One Hundred and Fifty Crores) comprising of 15,00,00,000 (Fifteen Crores) equity shares of Rs. 10 each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 16, 31, 94 and 394 and applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorised share capital to that extent.
- 12.2 Consequent upon the amalgamation, the authorised, share capital of the Transferee Company will be as under:



Authorised Capital	Amount in (Rupees in Lacs)
52,50,00,000 Ordinary (Equity) Shares of Rs. 10 each	525,00.00
25,00,000 Unclassified Shares of Rs 100/- each	25,00.00
Total	550,00.00

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 Transferee Company as may be required under the Act, and Clause 5 of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company shall respectively stand substituted by virtue of the Scheme to read as follows:

Clause 5 of the Memorandum of Association of the Transferee Company:

5. The Authorised Share Capital of the Company is Rs.550,00,00,000 (Rupees Five Hundred and Fifty Crores) divided into 52,50,00,000 Ordinary (Equity) Shares of Rs.10 each and 25,00,000 Unclassified Shares of Rs.100 each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation.

Article 3 of the Articles of Association:

3. The Authorised Share Capital of the Company is Rs.550,00,00,000 (Rupees Five Hundred and Fifty Crores) divided into 52,50,00,000 Ordinary (Equity) Shares of Rs.10 each and 25,00,000 Unclassified Shares of Rs.100 each.

13. WINDING UP OF THE TRANSFEROR COMPANY

On the Scheme becoming effective the Transferor Company shall be dissolved without being wound up.

14. APPLICATION TO THE HIGH COURT OR SUCH OTHER COMPETENT AUTHORITY

The Transferor Company and the Transferee Company shall with all reasonable dispatch, make applications to the High Court or such other competent authority, as may be applicable, for obtaining its sanction to this Scheme of Amalgamation under Sections 391 to 394 of the Act and for dissolution of the Transferor Company without being wound up.



15. MODIFICATION / AMENDMENT TO THE SCHEME

15.1 The Transferor Company and Transferee Company by their respective Board of Directors or any duly authorised committee may make or consent to, on behalf of all persons concerned, any modifications or amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Board of Directors or Committee and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

15.2 For the purpose of giving effect to this Scheme of Amalgamation or to any modification thereof the Board of Directors of Transferee Company or any other duly authorised committee thereof may determine and give and are authorised severally to give such directions including directions for settling any question of doubt or difficulty that may arise in case of issue and allotment of shares, 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 the Scheme.



16. CONDITIONS

The Scheme is conditional upon and subject to the following :

- (a) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- (b) The Scheme being approved by the respective requisite majorities of the members and creditors of the Transferor Company and Transferee Company as may be directed by the Honourable High Court and/or any other competent authority and it being sanctioned by the Honourable High Court and / or any other competent authority, as may be applicable.
- (c) Certified copies of the orders of the Honourable High Court or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra.

17. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 16 not being obtained and / or the Scheme not being sanctioned by the High Court or such other competent authority, as may be Applicable, and / or the Order not being passed as aforesaid before 31st day of December, 2008 or within such further period or periods as may be agreed upon between the Transferor Company, and the Transferee Company by their respective Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such a case, each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

18. COSTS

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

TRUE-COPY
M. D. Narvekar
M. D. NARVEKAR
 CHIEF CLERK, DISTRICT
 HIGH COURT (S.S.)
 BOMBAY

Certified to be TRUE COPY
 For RAJESH SHAH & CO.
Rajesh Shah
 Advocate for the Petitioner/Applicant

IN THE HIGH COURT OF JUDICATURE AT
BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO.374 OF 2008
CONNECTED WITH
COMPANY APPLICATION NO 280 OF 2008
In the matter of the Companies Act, 1956 (1 of
1956);

AND

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

AND

In the matter of Scheme of Amalgamation
Mahindra Holdings & Finance Limited with
Mahindra and Mahindra Limited and their
respective Shareholders

MAHINDRA AND MAHINDRA LIMITED

.....Petitioner Company

Authenticated copy of Minutes of Order dated
July 18, 2008 along with the Scheme of
Amalgamation

M/S RAJESH SHAH & CO

Advocates for the Petitioner

16, Oriental Building,

30, Nagindas Master Road,

Flora Fountain,

Mumbai 400 001.

Appraised on 21/07/08
Registered on 21/07/08
Section Writer
Police
Examined by
Compared with
Ready on 05/08/08
Delivered on 05/08/08

[Handwritten signature]



HIGH COURT, BOMBAY

1092961

1

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO 935 OF 2008
CONNECTED WITH
COMPANY APPLICATION NO.1268 OF 2008.

In the matter of the Companies
Act, 1956 (1 of 1956);
AND

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

In the matter of Scheme of
Amalgamation of Punjab Tractors
Limited (the Transferor
Company)

with
Mahindra and Mahindra Limited
(the Transferee Company)
and
their respective Shareholders



MAHINDRA AND MAHINDRA LIMITED

...Petitioner / Transferee Company.

Ms.Alpana Ghone with Mr.Rajesh Shah Vb Rajesh Shah & Co. for the
Petitioners.

Ms.Purnima Awasthi with Ms.Lata Patne Vb Mr. S.K. Mohapatra for
Regional Director

CORAM : S.J. VAZIEDAR, J.
DATE : 9TH JANUARY, 2009.

HIGH COURT, BOMBAY

1092962

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P.C. :-

1. This is a Petition under Sections 391 to 394 of the Companies Act, 1956 for sanction in respect of a Scheme of Amalgamation of Punjab Tractors Limited, the Transferor Company with Mahindra and Mahindra Limited, the Transferee Company and their respective Shareholders.

2. The procedure has been complied with and affidavits establishing the same have been filed. The Petitioner/ Transferee Company shall comply with all necessary statutory requirements.

3. The Regional Director has filed an affidavit stating that the scheme is not prejudicial to the interest of Creditors, Shareholders and public except in Point 6 of his Affidavit.

In paragraph 6 of his Affidavit he has stated as under :-

"It has been reported by the Registrar of Companies, Mumbai that one Mr. Navin Pandya has filed a writ petition before this hon'ble High Court seeking set aside the Second Labour Court Judgment dated 15/02/1992 and to declare him as a workman and to direct M&M to withdraw all charge sheets and dismissals orders and reinstate him in service etc. He had

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HIGH COURT, BOMBAY

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also prayed for directions to all the concerned authorities (including the deponent herein) to perform their obligatory duties for investigations of affairs of the M&M. The said writ petition appears to be pending before this Hon'ble High Court. This is for the information of this Hon'ble High Court".

The Petitioner Company has filed an affidavit dated January 7, 2009 and has submitted that said writ petition has been dismissed on merit by the Hon'ble High Court vide its order dated July 28, 2008.

A copy of the said order is annexed as 'Exhibit A' to the said affidavit. The Petitioner Company has further submitted that Mr. Navin Pandya, who had filed the said writ petition, is a shareholder in the Petitioner Company and has voted in favour of the Scheme in the court convened meeting directed by this High Court for approval of the Scheme by the Shareholders. An extract of the Scrutineers Report evidencing that Mr. Pandya voted in favour of the Scheme is annexed as 'Exhibit B' to the said affidavit. The said objection raised by the Regional Director is therefore not sustainable.

4. There is no opposition to the Scheme. The Regional Director has stated that the Scheme as proposed is not prejudicial to

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HIGH COURT, BOMBAY

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the interest of the shareholders, creditors and the public. There is nothing that indicates the contrary.

5. The Petitioner Company has stated that the registered office of Punjab Tractors Limited, the Transferor Company is situated at Punjab and the final hearing of its Petition is scheduled on 9th January 2009 before the High Court of Punjab & Haryana, Chandigarh.

6. There is no objection to the Scheme and since all the requisite statutory compliances have been fulfilled, Company Petition No. 935 of 2008 made absolute in terms of prayer clauses (a) to (c), subject to the sanction of High Court of Punjab & Haryana, Chandigarh to the Petition filed by the Transferor Company.

7. The Petitioner / Transferee Company to lodge a copy of this order and the Scheme with the Registrar of Companies, Maharashtra, Mumbai and concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 30 days of obtaining the certified copy and/or an authenticated copy of the order.

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HIGH COURT, BOMBAY

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8. The Petitioner to pay cost of Rs.7500/- to the Regional Director. Costs to be paid within four weeks from today.

9. Filing and issuance of the drawn up order is dispensed with.

10. All concerned authorities to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court, Bombay.

TRUE COPY
[Signature] 21/01/09
 M. D. NAHVEKAR
 COMPANY REGISTRAR
 HIGH COURT (O.S.)
 BOMBAY

TRUE COPY
[Signature] 29/1/09
 Deputation Officer
 High Court, Appellate Side
 Bombay.

RECEIVED
 29/1/09

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Scheme of Amalgamation

of

Punjab Tractors Limited

with

Mahindra and Mahindra Limited

and

their respective Shareholders

Under Sections 391 to 394 of the Companies Act, 1956



PREAMBLE

A. Description of Companies

(a) Mahindra and Mahindra Limited ('M&M' or 'Transferee Company') a public listed company, incorporated under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001, is the flagship Company of the Mahindra Group. M&M started its operations in the year 1945 and inter alia carries on business of manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles and three wheelers.

(b) Punjab Tractors Limited ('PTL' or 'Transferor Company') is a public listed company incorporated under the Companies Act, 1956 having its registered office at Phase-IV, Industrial Area, S.A.S.Nagar (Mohali), Punjab - 160 055. PTL is inter alia engaged in the business of manufacture and sale of tractors.

B. Rationale and Purpose of the Scheme

In July, 2007, M&M acquired 63.33% stake in PTL through a negotiated deal and subsequent open offer. 1.31% stake in PTL is already held by Mahindra Holdings & Finance Ltd (MHFL), a wholly owned subsidiary of M&M, which is in the process of being amalgamated with M&M. As a measure to consolidate the tractor business,

reduce overall cost and attain efficiencies, M&M now intends to merge its subsidiary, PTL into itself.

The amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits:

- i) Cost savings in terms of economies of scale, sourcing benefits, vendor rationalization, more focused operational efforts, rationalisation, standardisation and simplification of business processes and productivity improvements;
- ii) The synergies that exist between the two entities in terms of similar products, processes and resources can be put to the best advantage of all stakeholders;
- iii) Greater size, scale, integration and greater financial strength and flexibility for the amalgamated entity;
- iv) Strengthening leadership in the industry, in terms of the asset base, revenues, product range, production volumes and market share; and
- v) The amalgamated entity will benefit from improved organizational capability and leadership, arising from the combination of people from PTL and M&M who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

In view of the aforesaid, the Board of Directors of PTL as well as the Board of Directors of M&M have considered and proposed the amalgamation of the entire undertaking and business of PTL with M&M in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of both the companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of PTL to M&M pursuant to the provisions of Section 391 to Section 394 of the Companies Act, 1956.

This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

1. DEFINITIONS

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

- 1.1 "the Act" means the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force.
- 1.2 "the Appointed Date" means opening business hours of August 1, 2008 or such other date as may be directed or imposed by the High Court(s) or such other competent authority, as may be applicable.
- 1.3 "the Effective Date" or "coming into effect of this Scheme" or "upon the Scheme becoming effective" means the last of the dates on which the certified copies of the orders sanctioning this Scheme passed by the High Court of Judicature at Bombay and High Court of Punjab & Haryana, Chandigarh, or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Maharashtra, Mumbai and the Registrar of Companies, Punjab, Jalandhar respectively.
- 1.4 "High Courts" means High Court of Judicature at Bombay having jurisdiction in relation to the Transferee Company and High Court of Punjab & Haryana, Chandigarh having jurisdiction in relation to the Transferor Company or such other competent authority and shall include the National Company Law Tribunal, if applicable.
- 1.5 "Investments" means the investments made by M&M in the securities of other companies, including any beneficial interest in any trust.
- 1.6 "PTL" or "the Transferor Company" means Punjab Tractors Limited, a company incorporated under the Companies Act, 1956 having its registered office at Phase-IV, Industrial Area, S.A.S.Nagar (Mohali), Punjab - 160 055.
- 1.7 "M&M" or "the Transferee Company" means Mahindra and Mahindra Limited, a company incorporated under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001.

- 1.8 "MHFL – M&M Scheme" means Scheme of Amalgamation of Mahindra Holdings & Finance Limited with Mahindra & Mahindra Limited and their respective shareholders as sanctioned by the High Court of Judicature at Bombay on July 18, 2008.
- 1.9 "Other Assets" means amounts of loans and / or advances due and outstanding to the Transferee Company by other companies.
- 1.10 "Record Date" means such date to be fixed by the Board of Directors of M&M or any committee/person duly authorized by the Board of Directors of M&M in this regard, after the Effective Date, to determine the Members of PTL to whom equity shares of M&M will be allotted in accordance with Clause 10.2 of the Scheme.
- 1.11 "the Scheme" or "this Scheme" or "Scheme of Amalgamation" means the Scheme of Amalgamation in its present form or with any modification(s) made under Clause 16 of this Scheme as approved or directed by the High Courts or such other competent authority, as may be applicable.
- 1.12 "the Undertaking" shall mean the entire business and undertaking of the Transferor Company as a going concern and shall include (without limitation):
- (a) All the investments, assets and properties of the Transferor Company as on the Appointed Date (hereinafter referred to as "the said assets");
 - (b) All the debts, liabilities, duties and obligations of the Transferor Company 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 Undertaking of the Transferor Company shall include the movable and immovable properties including land and building, plant and machinery, equipments, furniture, fixtures, vehicles, 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 Company, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, permits, authorisations, trade marks, trade names, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including designs, 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 tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source etc, unutilised deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, 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 Company as on the Appointed Date.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts Regulation Act, 1956, the Depositories Act, 1996

and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT

The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take effect from the Appointed Date but shall operate from the Effective Date and shall be in accordance with Section 2(1B) of the Income-tax Act, 1961.

3. SHARE CAPITAL

- 3.1 As on March 31, 2008, the authorised, issued and subscribed share capital of the Transferor Company is as under:

Authorised Capital	(Rupees in Lacs)
7,50,00,000 Equity Shares of Rs.10 each	75,00.00
TOTAL	75,00.00
Issued, Subscribed & Paid-up Capital	
6,07,55,700 Equity Shares of Rs.10 each fully paid up	60,75.57
TOTAL	60,75.57



Out of the above, 3,92,70,165 equity shares of the Transferor Company are held by the Transferee Company, and its wholly - owned subsidiary, Mahindra Holdings & Finance Limited ('MHFL').

- 3.2 As on March 31, 2008, the authorised, issued and subscribed share capital of the Transferee Company is as under:

Authorised Capital	(Rupees In Lacs)
37,50,00,000 Ordinary (Equity) Shares of Rs. 10 each	375,00.00
25,00,000 Unclassified Shares of Rs. 100 each	25,00.00
Total	400,00.00
Issued and Subscribed	
24,67,41,819 Ordinary (Equity) Shares of Rs. 10 each fully paid-up	245,74
Less:	
66,68,431 Ordinary (Equity) Shares of Rs.10 each fully paid-up issued to ESOP Trust but not allotted to employees	6,87
Adjusted Issued and Subscribed Share Capital	239,07



Note :

a) On July 18, 2008, the High Court of Judicature at Bombay has sanctioned the MHFL - M&M Scheme pursuant to which the authorised share capital of M&M shall automatically stand increased by the addition of Rs. 150,00,00,000 (Rupees One Hundred and Fifty Crores) comprising of 15,00,00,000 (Fifteen Crores) equity shares of Rs. 10 each. After the effective date as defined in the MHFL-M&M Scheme 1,28,27,552 equity shares of Mahindra and Mahindra Limited will be issued pursuant to the MHFL-M&M Scheme.

(b) The Transferee Company has, on preferential basis, allotted 93,96,974, 9.25% p.a. Unsecured Fully and Compulsorily Convertible Debentures ("FCD" or "FCDs") of the Face Value of Rs.745 each aggregating Rs.700,00,00,630, each FCD being convertible into one Equity Share of Rs.10 each in the Company at a price of Rs.745 per Share (including premium of Rs.735 per Share) in accordance with Chapter XIII of the Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines, 2000.

4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and the Undertaking of the Transferor Company including all the debts, liabilities, duties and obligations of the Transferor Company of every description and also including, without limitation, all the movables and immovable properties and assets of the Transferor Company comprising amongst others all freehold and leasehold land, all freehold and leasehold buildings, investments, vehicles, furniture and fixtures, computers, office equipment, permits, licenses, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and liabilities of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company and the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise.

- 4.2 In respect of all the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferee Company, to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.
- 4.3 Such delivery and transfer shall be made on a date mutually agreed upon between the Transferor Company and the Transferee Company. However such date of delivery shall be within thirty days from the Effective Date.



- 4.4 in respect of any assets of the Transferor Company other than those mentioned in Clause 4.2 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company shall if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Courts having sanctioned this Scheme between the Transferor Company and the Transferee Company under Section 394 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.5 The transfer of assets and liabilities pursuant to Clause 4.1 above and the continuance of proceedings by the Transferee Company pursuant to Clause 7 shall not affect any transaction or proceedings already concluded by Transferor Company on or before the Appointed Date or after the Appointed Date till 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 Company in regard thereto, as if done and executed by the Transferee Company on behalf of itself.
- 4.6 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall, pursuant to the Orders of the High Courts or such other competent authority as may be applicable under Section 394 and other applicable provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date

the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1 Upon the coming into effect of this Scheme and subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, arrangements, assurances and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is 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 against or in favour of the Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Company, the Transferee Company had been the party thereto or the beneficiary or obligee thereof.


- 5.2 The Transferee Company shall, if so required or becomes necessary, upon the coming into effect of this Scheme enter into and/or issue and/or execute deeds, writings or confirmations to give effect to the provisions in Clause 5.1.

6 TREATMENT OF EMPLOYEES

- 6.1 All the permanent employees of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of the employees of the Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any

retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account.

- 6.2 The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company;



It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company in respect of the employees transferred with the Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Company and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.

- 6.3 With effect from the first of the dates of filing of this Scheme with the High Courts and up to and including the Effective Date, the Transferor Company shall not vary or modify the terms and conditions of employment of any of its employees, except with written consent of the Transferee Company.

7. LEGAL PROCEEDINGS

If any suit, appeal or other legal proceedings of whatever nature are pending by or against the Transferor Company on or before the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

8. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

- (a) The Transferor Company shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the Undertaking for and on account of and for the benefit of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- (b) The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior written consent of the Transferee Company,
 - (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets comprising the Undertaking or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business, and
 - (ii) nor shall it undertake any new business or substantially expand its existing business.
- (c) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred by the Transferor Company,

with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be.

- (d) The Transferor Company shall not alter its equity 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, reclassification, sub-division, consolidation, re-organisation or in any other manner, which may in any way affect the share exchange ratio prescribed hereunder, except by and with the consent of the Board of Directors of the Transferee Company.



(e) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government 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 Company and to give effect to the Scheme.

9. DECLARATION OF DIVIDENDS

- 9.1 The Transferor Company shall be entitled to declare or pay dividends, whether interim or final, to their equity shareholders in respect of any accounting period prior to the Effective Date, but only consistent with past practice and in the ordinary course. Any declaration or payment of dividend inconsistent with past practice and outside the ordinary course by the Transferor Company shall be subject to the prior approval of the Board of Directors of the Transferee Company and in accordance with applicable laws.
- 9.2 For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the respective record date for the purpose of dividend and the shareholders of

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the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee Company prior to the Effective Date.

10. CONSIDERATION

10.1 Notwithstanding anything to the contrary contained in this Scheme, all equity shares held by the Transferee Company in the Transferor Company, on the last of the dates of the Orders of the High Courts sanctioning the Scheme, shall, by virtue of this Scheme, and without any further act, instrument or deed, be deemed to be vested, as on the said date, in the board of trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) (hereinafter referred to as the "Trustees") of the M&M Benefit Trust, established under Trust Deed dated 11th July, 2008, to have and to hold such shares in trust together with all additions or accretions thereto and all shares of the Transferee Company issued in lieu thereof upon trust exclusively for the benefit of the Transferee Company subject to the powers, provisions, discretions, rights and agreements contained in such Trust Deed. It is proposed that the Trustees may, subject however to the prevailing market conditions, sell, transfer or dispose of the shares held by it/them at such time or times and in such manner as may be proper in accordance with provisions of the Trust Deed and shall remit the proceeds thereof to the Transferee Company. The obligations of the Trustees shall stand discharged and the Trust shall stand terminated in accordance with the provisions of Trust Deed.

10.2 After giving effect to Clause 10.1 of the Scheme and pursuant to the Scheme coming into effect and upon the entire businesses and the whole of the Undertaking of the Transferor Company being transferred to and vested in the Transferee Company, the Transferee Company shall issue and allot ONE equity share of Rs. 10 each fully paid up in its capital in respect of every THREE equity shares of Rs. 10 each fully paid up in the equity share capital of the Transferor Company (the "Share Exchange

Ratio") to the shareholders of the Transferor Company whose names appear in the Register of Members on the Record Date.

- 10.3 The equity shares to be issued and allotted by the Transferee Company as per Clause 10.2 (hereinafter referred to as the "New Equity Shares") shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu in all respects, including dividend, with the then existing equity shares of the Transferee Company.
- 10.4 Notwithstanding anything contained herein, in the event of any shareholders of PTL having a shareholding such that such shareholder becomes entitled to a fraction of the New Equity Shares, all the fractional entitlements of various shareholders shall be aggregated and without any further act, deed or thing to be done, such consolidated New Equity Shares shall stand vested in a trust to be set up by the Board of M&M. Such trust shall dispose of the aggregate of all such fractional holdings and distribute the net proceeds (after deduction of expenses incurred and taxes, if any) to the respective shareholders of PTL in proportion to their respective fractional entitlements.
- 10.5 The issue and allotment of New Equity Shares by Transferee Company to the shareholders of the Transferor Company as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out without requiring any further act on part of the Transferee Company or its shareholders and as if the procedure laid down under Section 81(1A) and any other applicable provisions of the Act, and such other statutes and regulations as may be applicable were duly complied with.
- 10.6 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold the shares of PTL in dematerialized form, provided all details relating to account with depository participant are available with M&M. All those equity shareholders who hold shares of PTL in physical form shall be issued New Equity Shares in M&M in physical or



electronic form, at the option of such shareholders to be exercised by them on or before the Record Date, by giving a notice in writing to the Transferee Company. The current shares of the Transferor Company held by its shareholders shall be deemed to have been automatically cancelled and be of no effect on and from the Effective Date.

- 10.7 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 of the Transferee Company or any Committee/person duly authorized in this regard by 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 changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme.

- 10.8 The New Equity Shares of the Transferee Company, issued pursuant to this Scheme shall be listed and/or admitted to trading on all the stock exchanges on which the shares of the Transferee Company are listed as on the Effective Date. The New Equity Shares shall however be listed subject to the Transferee Company complying with all the applicable regulations and obtaining the requisite approvals from all the relevant regulatory authorities pertaining to the listing of New Equity Shares.

11. ACCOUNTING TREATMENT

- 11.1 On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as under:
- (a) All the assets and liabilities as on the Appointed Date, recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their book values as appearing in the books of the Transferor Company.

- (b) The Transferee Company shall account for the book value of investments in the share capital of the Transferor Company, in respect of the shares of the Transferor Company vested in the Trust as per Clause 10.1 of the Scheme, as "Interest in Trust", at such book value; and pursuant to the Scheme becoming effective, such book value shall not be adjusted/ revalued/ restated on receipt of New Equity Shares of the Transferee Company by the Trust in lieu of its holding in the Transferor Company.
- (c) The excess of the value of the net assets of the Transferor Company as arrived at in sub-clause (a) above; over the face value of the New Equity Shares allotted by the Transferee Company, shall be credited to existing 'Investment Fluctuation Reserve' Account. Further, to the extent of such surplus, the consolidated accounts of the Transferee Company would also reflect the same as 'Investment Fluctuation Reserve' Account with a corresponding adjustment to the General Reserve. In case of there being a shortfall, the same shall be debited to Goodwill Account.



- 11.2 The aggregate amount under this head of account 'Investment Fluctuation Reserve' appearing in the books of accounts of the Transferee Company shall be utilized, to the extent considered necessary by the Board of Directors of the Transferee Company from time to time, for providing diminution in value of and / or loss on sale of Investments and Other Assets of the Transferee Company or increase in the rupee value of debt owed by the Transferee Company. Further, any reversal of such provisioning at anytime later would be adjusted to the same 'Investment Fluctuation Reserve' Account. The aforesaid treatment shall be through the Profit & Loss Account so that any such provision (or reversal thereof) and / or loss shall be offset therein and such treatment shall be deemed to be in accordance with all provisions of the Act. As and when, the Board of Directors of the Transferee Company determines that a part or whole of the balance remaining in Investment Fluctuation Reserve is no longer required for making any such provision, then such part or whole of the balance, so determined, by the Board of Directors of the Transferee Company, can be

transferred to the General Reserve Account and shall be deemed to be general reserve for all purposes under the provisions of the Act. Further, for the purposes of the consolidated accounts of the Transferee Company, an identical accounting treatment shall be followed as applicable.

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

12. **VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the coming into effect of this scheme the resolutions of the Transferor Company, as are considered necessary by the Board of Directors of the Transferee Company and 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 of any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Company 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.

13. **COMBINATION OF AUTHORISED CAPITAL**

- 13.1 Upon this Scheme becoming effective, 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 authorised share capital of Transferor Company amounting to Rs. 75,00,00,000 (Rupees Seventy Five Crores) comprising of 7,50,00,000 (Seven Crores Fifty Lacs) equity shares of Rs. 10 each and

the Memorandum of Association and 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, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 16, 31, 94 and 394 and applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorised 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 by the Transferee Company for increase in the authorised share capital to that extent.

- 13.2 Pursuant to MHFL – M&M Scheme becoming effective and consequent upon the amalgamation of Punjab Tractors Limited into Mahindra and Mahindra Limited, the authorised share capital of the Transferee Company will be as under:

Authorised Capital	(Rupees in Lacs)
50,00,00,000 Ordinary (Equity) Shares of Rs. 10 each	500,00.00
25,00,000 Unclassified Shares of Rs 100/- each	25,00.00
Total	525,00.00

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 Transferee Company as may be required under the Act, and Clause 5 of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company shall respectively stand substituted by virtue of the Scheme to read as follows:

Clause 5 of the Memorandum of Association of the Transferee Company:

5. *The Authorised Share Capital of the Company is Rs.6,25,00,00,000 (Rupees Six Hundred and Twenty Five Crores) divided into 60,00,00,000 Ordinary (Equity) Shares of Rs.10 each and 25,00,000 Unclassified Shares of Rs.100 each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation.*

Article 3 of the Articles of Association:

3. *The Authorised Share Capital of the Company is Rs.6,25,00,00,000 (Rupees Six Hundred and Twenty Five Crores) divided into 60,00,00,000 Ordinary (Equity) Shares of Rs.10 each and 25,00,000 Unclassified Shares of Rs.100 each.*

14. WINDING UP OF THE TRANSFEROR COMPANY

On and from the Effective Date the Transferor Company shall stand dissolved without being wound up.

15. APPLICATION TO THE HIGH COURTS OR SUCH OTHER COMPETENT AUTHORITY

The Transferor Company and the Transferee Company shall with all reasonable dispatch, make applications to the High Courts, for obtaining their sanction to this Scheme of Amalgamation under Sections 391 to 394 of the Act and for dissolution of the Transferor Company without being wound up.



16. MODIFICATION / AMENDMENT TO THE SCHEME

16.1 The Transferor Company and Transferee Company by their respective Board of Directors or any committee/ person duly authorised by the Board of Directors in this regard may make or consent to, on behalf of all persons concerned, any modifications or amendments to the Scheme or to any conditions or limitations that the Courts or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Board of Directors, or any Committee/ person duly authorized by the Board of Directors in this regard and to solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.



16.2 For the purpose of giving effect to this Scheme of Amalgamation or to any modification thereof the Board of Directors of Transferee Company or any committee/ person duly authorized by the Board of Directors of the Transferee Company in this regard may determine and give and are authorised severally to give such directions including directions for settling any question of doubt or difficulty that may arise in case of issue and allotment of shares, 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 the Scheme.

17. CONDITIONS

The Scheme is conditional upon and subject to the following :

- (a) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme,
- (b) The Scheme being approved by the respective requisite majorities of the members and creditors of the Transferor Company and Transferee Company as may be directed by the Honourable High Courts and/or any

other competent authority and it being sanctioned by the Honourable High Courts and / or any other competent authority, as may be applicable.

- (c) Certified copies of the Orders of the Honourable High Courts or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Punjab by the respective companies.

18. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 17 not being obtained and / or the Scheme not being sanctioned by the Jurisdictional High Courts or such other competent authority, as may be applicable, and / or the Orders not being passed as aforesaid before 31st day of July, 2009 or within such further period or periods as may be agreed upon by the respective Board of Directors of the Transferor Company, and the Transferee Company (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such a case, each party shall bear and pay its respective costs, charges and expenses for and /or in connection with the Scheme.

19. COSTS

- 19.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidentals thereto, shall be borne by the Transferee Company.

- 19.2 All costs and expenses incurred as per Clause 19.1 above as well as other costs, whether of the Transferor Company or of the Transferee Company, incidental with the finalisation of this Scheme and to put it into operation, including expenses in connection with license registration, advisory fees, stamp duty charges, meeting expenses, professional fees, consultant fees & expenses and any other expenses or charges attributable to the implementation of the Scheme, in the books of the Transferee Company, be kept in a 'Merger Suspense Account' and as may be determined by the Board of Directors of the Transferee Company either in part or whole be adjusted against the General Reserve Account in the books of the Transferee Company, after coming into effect of the Scheme.



TRUE-COPY
[Signature]
 M. D. NARVEKAR
 COMPANY REGISTRAR
 HIGH COURT (O.S.)
 BOMBAY

Certified to be TRUE COPY
 For RAJESH SHAH & CO.
[Signature] 21/01/19 Page 2 of 3
 Advocate for the Petitioner/Applicant



IN THE HIGH COURT OF JUDICATURE AT
BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 935 OF 2008
CONNECTED WITH
COMPANY APPLICATION NO 1388 OF 2008
In the matter of the Companies Act, 1956 (1 of
1956);

AND

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

AND

In the matter of Scheme of Amalgamation
Punjab Tractors Limited (the Transferor
Company) with Mahindra and Mahindra Limited
(the Transferee Company) and their respective
shareholders



MAHINDRA AND MAHINDRA LIMITED

.....Petitioner Company

Authenticated copy of Minutes of Order dated
January 9, 2009 along with the Scheme of
Amalgamation

MVS RAJESH SHAH & CO

Advocates for the Petitioner

16, Oriental Building,

30, Nagindas Master Road,

Flora Fountain,

Mumbai 400 001.

Appointed on 19-1-2009
Registered on 19-1-2009
Section Writer
Filed
Examined by MVS Rajesh Shah
Compared with
Ready on 22/1/09
Submitted on 22/1/09

RECEIVED
JUL 15 2008
CHANDIGARH
HON'BLE JUDGE

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IN THE HON'BLE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH

ORIGINAL COMPANY JURISDICTION,
COMPANY PETITION NO. 164 of 2008
CONNECTED WITH
COMPANY PETITION NO. 136 of 2008



IN THE MATTER OF:

The Companies Act, 1956

IN THE MATTER OF:

Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

IN THE MATTER OF:

Scheme of Amalgamation between Punjab Tractors Limited, having its Registered Office at Phase IV, Industrial Area, S.A.B. Nagar (Mohali), Punjab - 160055 and Mahindra and Mahindra Limited, having its Registered Office at Gateway Building, Apollo Bunder, Mumbai - 400001 and their respective shareholders.

IN THE MATTER OF:

Punjab Tractors Limited ... Petitioner / Transferor Company

A PETITION UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT 1956
FOR SANCTION AND APPROVAL OF THE SCHEME OF AMALGAMATION

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THE PETITIONER THEREFORE PRAY:

- a. that the said Amalgamation embodied in the Scheme of Amalgamation (being Annexure "P-1" to the Petition) may be sanctioned by the Hon'ble Court with or without modifications and declare the same to be binding on the Petitioner Company and the Transferee Company and also their respective shareholders and creditors, with effect from the Appointed Date.
- b. pass an order directing the Petitioner to publish the notice of the Petition in two newspapers and the Official Gazette of Punjab Government.
- c. pass an order directing the Petitioner to issue notice of the Petition may be issued to the Regional Director, Company Law Affairs, Noida and the Official Liquidator attached to this Hon'ble Court.
- d. that the Petitioner Company shall within 30 days from the date of sealing of the Order cause a certified copy of the Order sanctioning the Scheme of Amalgamation to be delivered to the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh for registration.
- e. that liberty be reserved to the Petitioner Company and to all other persons interested in the Petition to apply to this Hon'ble Court herein as and when occasion may arise for any direction that may be necessary.
- f. for orders in respect of such incidental, consequential and supplemental matters as are necessary to ensure that the said Scheme of Amalgamation shall be fully and effectually carried out.
- g. that on the Scheme becoming effective the Petitioner Company shall be dissolved without being wound up.
- h. for such other and further Order or Orders as may be made in the premises as the Hon'ble High Court shall deem fit.

FOR WHICH ACT OF KINDNESS, THE PETITIONER SHALL AS IN DUTY BOUND
SHALL EVER PRAY.

C.P. No.164 of 2008 (O&M)

-1-

IN THE HIGH COURT FOR THE STATES OF PUNJAB AND
HARYANA AT CHANDIGARHC.P. No.164 of 2008 (O&M)
connected with C.P. No.135 of 2008
Date of Decision:16.01.2009IN THE MATTER OF

1. Punjab Tractors Limited, Phase-IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab.

.....Petitioner/Transferor Company

2. M/s Mahindra and Mahindra Limited, Gateway Building, Appollo Bunder, Mumbai-400001.

..... Transferee Company

CORAM: HON'BLE MR. JUSTICE K. KANNAN

1. Whether Reporters of local papers may be allowed to see the judgment?
2. To be referred to the Reporters or not?
3. Whether the judgment should be reported in the Digest?

Present: Mr. Deepak Suri, Advocate.

Mr. D.P. Ojha, Official Liquidator.

K. KANNAN,

1. This application has been filed under Sections 391 to 394 of the Companies Act, 1956 for sanctioning and approval of the Scheme of Amalgamation between the Punjab Tractors Limited having its office at Phase IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab and M/s Mahindra and Mahindra Limited, Gateway Building, Appollo Bunder, Mumbai-400001. The application has been filed at the instance of Punjab Tractors Limited called the Transferor Company pursuant to the decision of Shareholders' meeting.

2. From the reading of petition and with reference to the documents, it is clear that the Transferor Company had been incorporated on

C.P. No.164 of 2008 (O&M)

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27.06.1970. M/s Mahindra and Mahindra Limited (called the Transferee Company or M&M) had acquired 63.33% stake in the Transferor Company through a negotiated deal while 1.31% stake had been held by Mahindra Holdings & Finance Limited (MHFL), the wholly owned subsidiary of M&M, which had been subsequently amalgamated with M&M w.e.f. 11.08.2008. As on date of the application, M&M held 64.64% of the Equity Share capital of the petitioner-Company. The authorised capital of the Transferor Company was Rs.75 Crores and the issued, subscribed and paid capital was Rs.60,75.57 lacs consisting of 6,07,55,700 equity shares of Rs.10 per share. Out of the above, 3,92,70,165 equity shares had been held by the Transferee Company.

3. The main object of the petitioner-Company was engagement in the business of manufacture tractors. The Memorandum of Association makes provision "to amalgamate with any other company having objects altogether or in a part similar to those of this company." The Transferee-Company had been incorporated in Mumbai on 02.10.1945 in the name of Mahindra and Mohammed Limited subsequently changed to Mahindra & Mahindra Limited (M&M) w.e.f. 13.01.1948. The M&M Company was engaged in the business of manufacture and sale inter alia, of tractors, general purpose utility vehicles, light commercial vehicles and three wheelers. The Memorandum of Association of the Transferee Company also makes provision for amalgamating with any other company having objects altogether or in any part similar to those of the company.

4. The rationale of the Scheme of Amalgamation spelt out:-

- (i) Cost savings in terms of economies of scale, sourcing benefits, vendor rationalisation, more focused operational efforts, rationalisation, standardisation and simplification of business processes and productivity improvements;
- (ii) The synergies that exist between the two entities in terms of similar products, processes and resources

C.P. No.164 of 2008 (O&M)

-3-

can be put to the best advantage of all stakeholders;

- (iii) Greater size, scale, integration and greater financial strength and flexibility for the amalgamated entity;
- (iv) Strengthening leadership in the industry, in terms of the asset base, revenues, product range, production volumes and market share; and
- (v) The amalgamated entity will benefit from improved organizational capability and leadership, arising from the combination of people from PTL and M&M who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

5. The salient features of the Scheme are:-

4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the appointed date, the entire business and the Undertaking of the Transferor Company including all the debts, liabilities, duties and obligations of the Transferor Company of every description and also including, without limitation, all the movables and immovable properties and assets of the Transferor Company comprising amongst others all freehold and leasehold land, all freehold and leasehold buildings, investments, vehicles, furniture and fixtures, computers, office equipment, permits, licences, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and liabilities of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company and the Transferee Company shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise.

- 4.2 In respect of all the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical

C.P. No.164 of 2008 (C&M)

delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.

- 4.3 Such delivery and transfer shall be made on a date mutually agreed upon between the Transferor Company and the Transferee Company. However, such date of delivery shall be within thirty days from the Effective date.
- 4.4 In respect of any assets of the Transferor Company other than those mentioned in Clause 4.2 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company shall if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Courts having sanctioned this Scheme between the Transferor Company and the Transferee Company under Section 394 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.5 The transfer of assets and liabilities pursuant to Clause 4.1 above and the continuance of proceedings by the Transferee Company pursuant to Clause 7 shall not affect any transaction or proceedings already concluded by Transferor Company on or before the Appointed Date or after the Appointed Date till 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 Company in regard thereto, as if done and executed by the Transferee Company on behalf of itself.
- 4.6 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall, pursuant to the orders of the High Courts or such other competent authority as may be applicable under Section 394 and

C.P. No.164 of 2008 (O&M)

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other applicable provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

6. The Scheme provides that all the permanent employees of the Transferor Company shall from the effective date be engaged as the employees of the Transferee Company without any break in service and terms and conditions not less favourable than those on which they were previously engaged by the Transferor Company immediately preceding the effective date.

7. This Hon'ble Court vide its order dated 18.09.2008 dispensed with the requirement of holding of the meeting of the secured and unsecured creditors and directed that the meeting of the equity shareholders be convened by the petitioner/Transferor Company for the purpose of considering and if thought fit, approving with or without modifications, the Scheme of Amalgamation. The meeting of shareholders was accordingly held on 15.11.2008 and Mr. Aman Chaudhary, Advocate was appointed by the Court to act as a Chairman. Out of the 338 votes, which were duly polled at the meeting, 337 equity shareholders voted in favour of the resolution and one equity shareholder voted against the resolution. Since 99.7041% of the equity shareholders who cast valid votes, voted in favour of the resolution, resolution was passed on the basis of majority votes. It is reported that no investigation proceedings are pending under Sections 235 to 250A of the Companies Act and there is also no winding up proceedings against the petitioner-Company. The Senior Vice President-Finance & Company Secretary and Authorized Representative of the petitioner-Company has filed the affidavit affirming the facts mentioned in the petition seeking for sanction of the Scheme. Notice to the Official Liquidator as well

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as Regional Director, Company Law Affairs, Noida issued and publications were also effected in the "Indian Express" and "Punjab Kesari, Chandigarh Edition as well as in the Official Gazette of Punjab Government. There are no objections to the Scheme except that AS 14 is directed to be observed. An undertaking affidavit has been given by the company in this regard. Accordingly the order is passed approving the Scheme of Amalgamation as carried through in the resolution under the chairmanship of the person appointed by this Court subject to the sanctioning of Scheme by Bombay High Court. A certified copy of this order shall be filed with the Registrar of Companies within 14 days of the order in Form No.41. The Scheme shall be binding upon all concerned including the shareholders of the petitioner/Transferor Company and the Transferee Company.

Sd/-K.Kannan
Judge

January 16, 2009
Pankaj*

True Copy
of the order
under 14
Examiner 12-2-09
Hish 06.1.2009
Handicraft

PUNJAB & HARYANA HIGH COURT

Pension No. 10422
 Date of Birth
 No. of Application 8
 No. of Bonds 24
 No. of Bonds 5
 No. of Bonds 29
 Date of Delivery 12-2-09

Cost Rs Twenty nine only 174

Sd/-
 12-2/9



Signature

FORMAL ORDER

I

IN THE HON'BLE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH ORIGINAL COMPANY JURISDICTION

COMPANY PETITION NO. 164 of 2008 -
CONNECTED WITH
COMPANY PETITION NO. 135 of 2008 -

IN THE MATTER OF:
The Companies Act, 1956

IN THE MATTER OF:

Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

IN THE MATTER OF:

Scheme of Amalgamation between Punjab Tractors Limited, having its Registered Office at Phase IV, Industrial Area, S.F.S. Nagar (Mohali), Punjab - 160054 and Mahindra and Mahindra Limited, having its Registered Office at Chhatrapati Shivaji Maharaj Building, Apollo Bunder, Mumbai - 400001 and their respective shareholders

IN THE MATTER OF:
Punjab Tractors Limited ... Petitioner; Transferor Company

A PETITION UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT 1956 FOR SANCTION AND APPROVAL OF THE SCHEME OF AMALGAMATION

THE PETITIONER THEREFORE PRAYS:

- a. that the said Amalgamation embodied in the Scheme of Amalgamation (being Annexure "P-1" to the Petition) may be sanctioned by this Hon'ble Court with or without modifications and declare the same to be binding on the Petitioner Company and the Transferee Company and also their respective shareholders and creditors, with effect from the Appointed Date.
- b. pass an order directing the Petitioner to publish the notice of the Petition in two newspapers and the Official Gazette of Punjab Government.

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- c. pass an order directing the Petitioner to issue notice of the Petition may be issued to the Regional Director, Company Law Affairs, Noida and the Official Liquidator attached to this Hon'ble Court.
- d. that the Petitioner Company shall within 30 days from the date of sealing of the Order cause a certified copy of the Order sanctioning the Scheme of Amalgamation to be delivered to the Registrar of Companies Punjab, Himachal Pradesh and Chandigarh, for registration.
- e. that liberty be reserved to the Petitioner Company and to all other persons interested in the Petition to apply to this Hon'ble Court herein as and when occasion may arise for any direction that may be necessary.
- f. for orders in respect of such incidental, consequential and supplemental matters as are necessary to ensure that the said Scheme of Amalgamation shall be fully and effectually carried out.
- g. that on the Scheme becoming effective the Petitioner Company shall be dissolved without being wound up.
- h. for such other and further Order or Orders as may be made in the premises as the Hon'ble High Court shall deem fit.

COMPANY PETITION NO. 135 OF 2008

THE MATTER OF:

The Companies Act, 1956

IN THE MATTER OF:

Sections 391 to 394 and other applicable provisions of the Companies Act, 1956,

IN THE MATTER OF:

Scheme of Amalgamation between Punjab Tractors Limited, having its Registered Office at S.A.S Nagar (Mohali), Punjab - 160 055, and Mahindra and Mahindra

Limited, having its Registered Office at Mumbai and their respective shareholders.

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IN THE MATTER OF:

Punjab Tractors Limited, Phase IV, Industrial Area, S.A.S. Nagar (Mohali),
Punjab.

... Petitioner / Transferor Company

PETITION UNDER SECTIONS 391 - 394 OF
THE COMPANIES ACT, 1956 FOR
DIRECTIONS FOR CONVENING, HOLDING
AND CONDUCTING THE MEETING OF THE
EQUITY SHAREHOLDERS AND
DISPENSATION FROM THE REQUIREMENT
OF CONVENING THE MEETING OF THE
SECURED CREDITORS AND UNSECURED
CREDITORS OF THE PETITIONER COMPANY

PRAYER

- a. pass an order dispensing with the requirements for holding meetings of the Secured Creditors and Unsecured Creditors of the Petitioner Company,
- b. pass appropriate orders/ directions to call meeting of the Equity Shareholders of the Petitioner Company, to fix the time and place of such meeting, to appoint the Chairman/ Alternate Chairman for the meeting and for other matters as provided in Rule 69 of the Company Court Rules, 1959.
- c. in the event that the prayer (a) in the present Petition for dispensation of the meetings of the Secured Creditors and Unsecured Creditors of the Petitioner Company is rejected, then, as contemplated by Section 391 to 394 of the Companies Act, 1956 read with Rules 67 to 87 of the Companies (Court) Rules, 1959, necessary directions be issued with respect to holding of the meetings of the Secured Creditors and Unsecured Creditors of the Petitioner Company, appointment of Chairman/ Alternate Chairman for the said meetings and incidental directions for approval of the notices, publication thereof in the newspapers and other incidental directions in connection with the present Scheme, in order to consider, and if thought fit approve, with or without modifications, the present Scheme.

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4. pass any such orders or directions as may be deemed fit in the facts and circumstances of the present case.

Before Hon'ble Mr. Justice K. Kannan

Dated 15th of January, 2009

Order on Petition

That the above Company Petition No. 135 of 2008 came up for hearing on 18.9.2008; upon reading the said petition, the order dated 18.9.2008, whereby meetings of the Secured & Unsecured Creditors of the Transferor Company were dispensed with and it was directed that separate meeting of the Equity Shareholders of the Transferor Company be held on 15.11.2008 for the purpose of considering and, if thought fit, approving with or without modification the Scheme of Amalgamation proposed to be made between transferor and transferee companies and their respective shareholders and creditors and annexed to the affidavit dated 12.9.2008 of Sh. M.N. Kaushal, Sr. Vice President-Finance & Company Secretary and authorised representative, of the Petitioner Company; also upon perusing the 'The Indian Express' dated 21.10.2008, 'Punjab Kesari' dated 21.10.2008 and Official Gazette of the Government of Punjab dated 24.10.2008, each containing the advertisement of the notice of the meeting directed to be held vide order dated 18.9.2008 and the affidavit of Sh. Anjan Chaudhary, Advocate dated 5.11.2008 showing publication and despatch of the notices convening the said meeting, the report of the Chairman of the said meeting dated 22.11.2008 as to the result of the said meeting and upon hearing Sh. Deepak Surl, Advocate for the petitioner Company and it appearing from the report that the proposed scheme of Amalgamation has been approved unanimously by the Equity Shareholders of the petitioner company, as the case may be, present and voting in person or by proxy.

This Court doth hereby sanction the Scheme of Amalgamation set forth in the Company Petition(s) and in the Schedule hereto subject to sanctioning of

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Scheme by the High Court of Bombay in the petition of transferee Company and doth hereby declare the same to be binding on the Shareholders and creditors of the transferor and transferee companies and all concerned, and the scheme shall come into operation from the effective date on completion of all formalities;

And

That the said companies do file with the Registrar of Companies a certified copy of this order within 14 days from the date of this order.

Any person interested shall be at liberty to approach this Court in the above matter for any directions that may be necessary.

SCHEDULE

Scheme of Amalgamation as sanctioned by the Court

(See next page)

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- 6 - Annexure K-1

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Scheme of Amalgamation

of

Punjab Tractors Limited

with

Mahindra and Mahindra Limited

and

their respective Shareholders

Under Sections 391 to 394 of the Companies Act, 1956

PREAMBLEA. Description of Companies

(a) Mahindra and Mahindra Limited ("M&M" or "Transferee Company") a public listed company, incorporated under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001, is the flagship Company of the Mahindra Group. M&M started its operations in the year 1948 and inter alia carries on business of manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles and three wheelers.

(b) Punjab Tractors Limited ("PTL" or "Transferor Company") is a public listed company incorporated under the Companies Act, 1956 having its registered office at Phase-IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab - 160 055. PTL is inter alia engaged in the business of manufacture and sale of tractors.

1. Rationale and Purpose of the Scheme

In July, 2007, M&M acquired 83.33% stake in PTL through a negotiated deal and subsequent open offer, 1.31% stake in PTL is already held by Mahindra Holdings & Finance Ltd (MHFL), a wholly owned subsidiary of M&M, which is in the process of being amalgamated with M&M. As a measure to consolidate the tractor business,



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reduce overall cost and attain efficiencies, M&M now intends to merge its subsidiary, PTL into itself.

The amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits:

- i) Cost savings in terms of economies of scale, sourcing benefits, vendor rationalization, more focused operational efforts, rationalization, standardisation and simplification of business processes and productivity improvements;
- ii) The synergies that exist between the two entities in terms of similar products, processes and resources can be put to the best advantage of all stakeholders;
- iii) Greater size, scale, integration and greater financial strength and flexibility for the amalgamated entity;
- iv) Strengthening leadership in the industry, in terms of the asset base, revenues, product range, production volumes and market share; and
- v) The amalgamated entity will benefit from improved organizational capability and leadership, arising from the combination of people from PTL and M&M who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

In view of the aforesaid, the Board of Directors of PTL as well as the Board of Directors of M&M have considered and proposed the amalgamation of the entire undertaking and business of PTL with M&M in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of both the companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of PTL to M&M pursuant to the provisions of Section 391 to Section 394 of the Companies Act, 1956.

This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.



1. DEFINITIONS

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

- 1.1 "the Act" means the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force.
- 1.2 "the Appointed Date" means opening business hours of August 1, 2008 or such other date as may be directed or imposed by the High Court(s) or such other competent authority, as may be applicable.
- 1.3 "the Effective Date" or "coming into effect of this Scheme" or "upon the Scheme becoming effective" means the last of the dates on which the certified copies of the orders sanctioning this Scheme passed by the High Court of Judicature at Bombay and High Court of Punjab & Haryana, Chandigarh, or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Maharashtra, Mumbai and the Registrar of Companies, Punjab, Jalandhar respectively.
- 1.4 "High Courts" means High Court of Judicature at Bombay having jurisdiction in relation to the Transferee Company and High Court of Punjab & Haryana, Chandigarh having jurisdiction in relation to the Transferor Company or such other competent authority and shall include the National Company Law Tribunal, if applicable.
- 1.5 "investments" means the investments made by M&M in the securities of other companies, including any beneficial interest in any trust.
- 1.6 "PTL" or "the Transferor Company" means Punjab Tractors Limited, a company incorporated under the Companies Act, 1956 having its registered office at Phase-IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab - 160 055.
- 1.7 "M&M" or "the Transferee Company" means Mahindra and Mahindra Limited, a company incorporated under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai 400 001.

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- 1.8 "MHFL - M&M Scheme" means Scheme of Amalgamation of Mahindra Holdings & Finance Limited with Mahindra and Mahindra Limited and their respective shareholders as sanctioned by the High Court of Judicature at Bombay on July 18, 2008.
- 1.9 "Other Assets" means all amounts of loans and / or advances due and outstanding to the Transferee Company by other companies.
- 1.10 "Record Date" means such date to be fixed by the Board of Directors of M&M or any committee/person duly authorized by the Board of Directors of M&M in this regard, after the Effective Date, to determine the Members of PTL to whom equity shares of M&M will be allotted in accordance with Clause 10.2 of the Scheme.
- 1.11 "the Scheme" or "this Scheme" or "Scheme of Amalgamation" means this Scheme of Amalgamation in its present form or with any modification(s) made under Clause 16 of this Scheme as approved or directed by the High Courts or such other competent authority, as may be applicable.
- 1.12 "the Undertaking" shall mean the entire business and undertaking of the Transferor Company as a going concern and shall include (without limitation):
- (a) All the investments, assets and properties of the Transferor Company as on the Appointed Date (hereinafter referred to as "the said assets");
 - (b) All the debts, liabilities, duties and obligations of the Transferor Company 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 Undertaking of the Transferor Company shall include the movable and immovable properties including land and building, plant and machinery, equipments, furniture, fixtures, vehicles, household 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

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Transferor Company; investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, less-hold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, permits, authorisations, trade marks, trade names, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including designs, 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 whatever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source etc, unutilised deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, etc.) and whatsoever situated, 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 Company as on the Appointed Date.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts Regulation Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT

The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take effect from the Appointed Date but shall operate from the Effective Date and shall be in accordance with Section 2(1B) of the Income-tax Act, 1961.

3. SHARE CAPITAL

- 3.1 As on March 31, 2008, the authorised, issued and subscribed share capital of the Transferor Company is as under:

Authorised Capital	(Rupees in Lacs)
7,50,00,000 Equity Shares of Rs.10 each	75,00.00
TOTAL	75,00.00
Issued, Subscribed & Paid-up Capital	
6,07,55,700 Equity Shares of Rs.10 each fully paid up	60,75.57
TOTAL	60,75.57

Out of the above, 3,92,70,165 equity shares of the Transferor Company are held by the Transferee Company, and its wholly - owned subsidiary, Mahindra Holdings & Finance Limited ('MHFL').

- 3.2 As on March 31, 2008, the authorised, issued and subscribed share capital of the Transferee Company is as under:

Authorised Capital	(Rupees in 100)
37,50,00,000 Ordinary (Equity) Shares of Rs. 10 each	375,00.00
25,00,000 Unissued Shares of Rs. 100 each	25,00.00
Total	400,00.00
Issued and Subscribed	
24,57,41,813 Ordinary (Equity) Shares of Rs. 10 each fully paid-up	245,74
Less:	
86,68,431 Ordinary (Equity) Shares of Rs.10 each fully paid-up issued to ESOP Trust but not allotted to employees	6,07
40,000,000 Shares issued and Subscribed Share Capital	239.07

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Note:

a) On July 18, 2008, the High Court of Judicature at Bombay has sanctioned the MHFL - M&M Scheme pursuant to which the authorised share capital of M&M shall automatically stand increased by the addition of Rs. 150,00,00,000 (Rupees One Hundred and Fifty Crores) comprising of 15,00,00,000 (Fifteen Crores) equity shares of Rs. 10 each. After the effective date as defined in the MHFL-M&M Scheme 128,27,552 equity shares of Mahindra and Mahindra Limited will be issued pursuant to the MHFL-M&M Scheme.

(b) The Transferee Company has, on preferential basis, allotted 93,96,974, 9.25% p.a. Unsecured Fully and Compulsorily Convertible Debentures ("FCD" or "FCDs") of the Face Value of Rs.745 each aggregating Rs.700,00,00,630, each FCD being convertible into one Equity Share of Rs.10 each in the Company at a price of Rs.745 per Share (including premium of Rs.735 per Share) in accordance with Chapter XIII of the Securities and Exchange Board of India (Disclosure & Investor Protection) Guidelines, 2000.

4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and the Undertaking of the Transferor Company including all the debts, liabilities, duties and obligations of the Transferor Company of every description and also including, without limitation, all the movables and immovable properties and assets of the Transferor Company comprising amongst others all freehold and leasehold land, all freehold and leasehold buildings, investments, vehicles, furniture and fixtures, computers, office equipment, permits, licenses, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and liabilities of the Transferee Company.

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Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company, and the Transferee Company shall not be obliged to create any further or additional security thereto after the Effective Date or otherwise.

- 4.2 In respect of all the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.
- 4.3 Such delivery and transfer shall be made on a date mutually agreed upon between the Transferor Company and the Transferee Company. However such date of delivery shall be within thirty days from the Effective Date.
- 4.4 In respect of any assets of the Transferor Company other than those mentioned in Clause 4.2 above, including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company shall if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Courts having sanctioned this Scheme between the Transferor Company and the Transferee Company under Section 396 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Transferee Company; as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.5 The transfer of assets and liabilities pursuant to Clause 4.1 above and the continuance of proceedings by the Transferee Company pursuant to Clause 7 shall not affect any institution or proceedings already concluded by Transferor

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Company on or before the Appointed Date or after the Appointed Date till 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 Company in regard thereto, as if done and executed by the Transferee Company on behalf of itself.

- 4.6 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or upto the day of the Appointed Date shall, pursuant to the Orders of the High Courts or such other competent authority as may be applicable under Section 394 and other applicable provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1 Upon the coming into effect of this Scheme and subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements, arrangements, assurances and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is 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 against or in favour of the Transferee Company and may be enforced as fully and effectually as if instead of the Transferor Company, the Transferee Company had been the party thereto or the beneficiary or obligee thereof.



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- 5.2 The Transferee Company shall, if so required or becomes necessary, upon the coming into effect of this Scheme enter into and/or issue and/or execute deeds, writings or confirmations to give effect to the provisions in Clause 5.1.

6 TREATMENT OF EMPLOYEES

- 6.1 All the permanent employees of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of the employees of the Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account.

- 6.2 The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company;

It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company in respect of the employees transferred with the Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds or

Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Company and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Company.

- 6.3 With effect from the first of the dates of filing of this Scheme with the High Courts and up to and including the Effective Date, the Transferor Company shall not vary or modify the terms and conditions of employment of any of its employees, except with written consent of the Transferee Company.

7. LEGAL PROCEEDINGS

If any suit, appeal or other legal proceedings of whatever nature are pending by or against the Transferor Company on or before the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the Amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

B. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

- (a) The Transferor Company shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the Undertaking for and on account of and for the benefit of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

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10. The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior written consent of the Transferee Company,

(i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets comprising the Undertaking or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business, and

(ii) nor shall it undertake any new business or substantially expand its existing business.

(c) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred by the Transferor Company, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be.

(d) The Transferor Company shall not alter its equity 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, reclassification, sub-division, consolidation, re-organisation or in any other manner, which may in any way affect the share exchange ratio prescribed hereunder, except by and with the consent of the Board of Directors of the Transferee Company.

(e) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferor Company may require to carry on the business of the Transferor Company and to give effect to the Scheme.

9. DECLARATION OF DIVIDENDS

9.1 The Transferor Company shall be entitled to declare or pay dividends, whether interim or final, to their equity shareholders in respect of any

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accounting period prior to the Effective Date, but only consistent with past practice and in the ordinary course. Any declaration or payment of dividend inconsistent with past practice and outside the ordinary course by the Transferor Company shall be subject to the prior approval of the Board of Directors of the Transferee Company and in accordance with applicable laws.

- 9.2 For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the respective record date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividends, if any, declared by the Transferee Company prior to the Effective Date.

10. CONSIDERATION

- 10.1 Notwithstanding anything to the contrary contained in this Scheme, all equity shares held by the Transferee Company in the Transferor Company, on the last of the dates of the Orders of the High Courts sanctioning the Scheme, shall, by virtue of this Scheme, and without any further act, instrument or deed, be deemed to be vested, as on the said date, in the board of trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) (hereinafter referred to as the "Trustees") of the M&M Benelli Trust, established under Trust Deed dated 11th July, 2008, to have and to hold such shares in trust together with all additions or accretions thereto and all shares of the Transferee Company issued in lieu thereof upon trust exclusively for the benefit of the Transferee Company subject to the powers, provisions, discretions, rights and agreements contained in such Trust Deed. It is proposed that the Trustees may, subject however to the prevailing market conditions, sell, transfer or dispose of the shares held by them at such time or times and in such manner as may be proper in accordance with provisions of the Trust Deed and shall remit the proceeds thereof to the Transferee Company. The obligations of the Trustees shall stand discharged and the

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Trust shall stand terminated in accordance with the provisions of Trust Deed.

- 10.2 After giving effect to Clause 10.1 of the Scheme and pursuant to the Scheme coming into effect and upon the entire businesses and the whole of the Undertaking of the Transferor Company being transferred to and vested in the Transferee Company, the Transferee Company shall issue and allot ONE equity share of Rs. 10 each fully paid up in its capital in respect of every THREE equity shares of Rs. 10 each fully paid up in the equity share capital of the Transferor Company (the "Share Exchange Ratio") to the shareholders of the Transferor Company whose names appear in the Register of Members on the Record Date.
- 10.3 The equity shares to be issued and allotted by the Transferee Company as per Clause 10.2 (hereinafter referred to as the "New Equity Shares") shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank *pari passu* in all respects, including dividend, with the then existing equity shares of the Transferee Company.
- 10.4 Notwithstanding anything contained herein, in the event of any shareholders of PTL having a shareholding such that such shareholder becomes entitled to a fraction of the New Equity Shares, all the fractional entitlements of various shareholders shall be aggregated and without any further act, deed or thing to be done, such consolidated New Equity Shares shall stand vested in a trust to be set up by the Board of M&M. Such trust shall dispose of the aggregate of all such fractional holdings and distribute the net proceeds (after deduction of expenses incurred and taxes, if any) to the respective shareholders of PTL in proportion to their respective fractional entitlements.
- 10.5 The issue and allotment of New Equity Shares by Transferee Company to the shareholders of the Transferor Company as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out without requiring any further act on part of the Transferee Company or its shareholders and as if the procedure laid down under Section 81(1A) and

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any other applicable provisions of the Act, and such other statutes and regulations as may be applicable were duly complied with.

10.6 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold the shares of PTL in dematerialized form, provided all details relating to account with depository participant are available with M&M. All those equity shareholders who hold shares of PTL in physical form shall be issued New Equity Shares in M&M in physical or electronic form, at the option of such shareholders to be exercised by them on or before the Record Date, by giving a notice in writing to the Transferee Company. The current shares of the Transferor Company held by its shareholders shall be deemed to have been automatically cancelled and be of no effect on and from the Effective Date.

10.7 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 of the Transferee Company or any Committee/person duly authorized in this regard by 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 changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme;

10.8 The New Equity Shares of the Transferee Company, issued pursuant to this Scheme shall be listed and/or admitted to trading on all the stock exchanges on which the shares of the Transferee Company are listed as on the Effective Date. The New Equity Shares shall however be listed subject to the Transferee Company complying with all the applicable regulations and obtaining the requisite approvals from all the relevant regulatory authorities pertaining to the listing of New Equity Shares.

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11. ACCOUNTING TREATMENT

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

- (a) All the assets and liabilities as on the Appointed Date, recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their book values as appearing in the books of the Transferor Company;
- (b) The Transferee Company shall account for the book value of investments in the share capital of the Transferor Company, in respect of the shares of the Transferor Company vested in the Trust as per Clause 10.1 of the Scheme, as "Interest in Trust", at such book value; and pursuant to the Scheme becoming effective, such book value shall not be adjusted/revalued/revised on receipt of New Equity Shares of the Transferee Company by the Trust in lieu of its holding in the Transferor Company.
- (c) The excess of the value of the net assets of the Transferor Company as arrived at in sub-clause (a) above, over the face value of the New Equity Shares allotted by the Transferee Company, shall be credited to existing 'Investment Fluctuation Reserve' Account. Further, to the extent of such surplus, the consolidated accounts of the Transferee Company would also reflect the same as 'Investment Fluctuation Reserve' Account with a corresponding adjustment to the General Reserve. In case of there being a shortfall, the same shall be debited to Goodwill Account.

11.2 The aggregate amount under this head of account 'Investment Fluctuation Reserve' appearing in the books of accounts of the Transferee Company shall be utilized, to the extent considered necessary by the Board of Directors of the Transferee Company from time to time, for providing diminution in value of and / or loss on sale of investments and Other Assets of the Transferee Company or increase in the rupee value of debt owed by the Transferee Company. Further, any reversal of such provisioning at anytime later would be adjusted to the same Investment

Fluctuation Reserve' Account. The aforesaid treatment shall be through the Profit & Loss Account so that any such provision (or reversal thereof) and / or loss shall be offset therein and such treatment shall be deemed to be in accordance with all provisions of the Act. As and when, the Board of Directors of the Transferee Company determines that a part or whole of the balance remaining in Investment Fluctuation Reserve is no longer required for making any such provision, then such part or whole of the balance, so determined, by the Board of Directors of the Transferee Company, can be transferred to the General Reserve Account and shall be deemed to be general reserve for all purposes under the provisions of the Act. Further, for the purposes of the consolidated accounts of the Transferee Company, an identical accounting treatment shall be followed as applicable.

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

12. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this scheme the resolutions of the Transferor Company, as are considered necessary by the Board of Directors of the Transferee Company and 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 of any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Company 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.

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13. COMBINATION OF AUTHORISED CAPITAL

- 13.1 Upon this Scheme becoming effective, 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 authorised share capital of Transferor Company amounting to Rs. 75,00,00,000 (Rupees Seventy Five Crores) comprising of 7,50,00,000 (Seven Crores Fifty Lacs) equity shares of Rs. 10 each and the Memorandum of Association and 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, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 15, 31, 34 and 394 and applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorised 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 by the Transferee Company for increase in the authorised share capital to that extent.

- 13.2 Pursuant to MHFL - M&M Scheme becoming effective and consequent upon the amalgamation of Punjab Tractors Limited into Mahindra and Mahindra Limited, the authorised share capital of the Transferee Company will be as under:

Authorised Capital	(Rupees in Lacs)
60,00,00,000 Ordinary (Equity) Shares of Rs. 10 each	600,00.00
25,00,000 Unclassified Shares of Rs 100/- each	25,00.00
Total	625,00.00

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

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Memorandum and Articles of Association of the Transferee Company as may be required under the Act, and Clause 5 of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company shall respectively stand substituted by virtue of the Schema to read as follows:

Clause 5 of the Memorandum of Association of the Transferee Company:

5. The Authorised Share Capital of the Company is Rs.6,25,00,00,000 (Rupees Six Hundred and Twenty Five Crores) divided into 60,00,00,000 Ordinary (Equity) Shares of Rs.10 each and 25,00,000 Unclassified Shares of Rs.100 each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation.

Article 3 of the Articles of Association:

3. The Authorised Share Capital of the Company is Rs.6,25,00,00,000 (Rupees Six Hundred and Twenty Five Crores) divided into 60,00,00,000 Ordinary (Equity) Shares of Rs.10 each and 25,00,000 Unclassified Shares of Rs.100 each.

14. WINDING UP OF THE TRANSFEROR COMPANY

On and from the Effective Date the Transferor Company shall stand dissolved without being wound up.

15. APPLICATION TO THE HIGH COURTS OR SUCH OTHER COMPETENT AUTHORITY

The Transferor Company and the Transferee Company shall with all reasonable dispatch, make applications to the High Courts, for obtaining their sanction to this

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Scheme of Amalgamation under Sections 391 to 394 of the Act and for dissolution of the Transferor Company without being wound up.

16. MODIFICATION / AMENDMENT TO THE SCHEME

- 16.1 The Transferor Company and Transferee Company by their respective Board of Directors or any committee/ person duly authorized by the Board of Directors in this regard may make or consent to, on behalf of all persons concerned, any modifications or amendments to the Scheme or to any conditions or limitations that the Courts or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Board of Directors or any Committee/ person duly authorized by the Board of Directors in this regard and to solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 16.2 For the purpose of giving effect to this Scheme of Amalgamation or to any modification thereof the Board of Directors of Transferee Company or any committee/ person duly authorized by the Board of Directors of the Transferee Company in this regard may determine and give and are authorised severally to give such directions including directions for settling any question of doubt or difficulty that may arise in case of issue and allotment of shares, 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 the Scheme.

17. CONDITIONS

The Scheme is conditional upon and subject to the following :

- (a) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- (b) The Scheme being approved by the respective requisite majorities of the members and creditors of the Transferor Company and Transferee

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Company as may be directed by the Honourable High Courts and/or any other competent authority and it being sanctioned by the Honourable High Courts and / or any other competent authority, as may be applicable.

- (c) Certified copies of the Orders of the Honourable High Courts or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra and the Registrar of Companies, Punjab by the respective companies.

18. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 17 not being obtained and / or the Scheme not being sanctioned by the Jurisdictional High Courts or such other competent authority, as may be applicable, and / or the Orders not being passed as aforesaid before 31st day of July, 2008 or within such further period or periods as may be agreed upon by the respective Board of Directors of the Transferor Company, and the Transferee Company (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act of deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such a case, each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

19. COSTS

- 19.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidentals thereto, shall be borne by the Transferee Company.

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- 19.2 All costs and expenses incurred as per Clause 19.1 above as well as other costs, whether of the Transferor Company or of the Transferee Company, incidental with the finalisation of this Scheme and to put it into operation, including expenses in connection with license registration, advisory fees, stamp duty charges, meeting expenses, professional fees, consultant fees & expenses and any other expenses or charges attributable to the implementation of the Scheme, in the books of the Transferee Company, be kept in a 'Merger Suspense Account' and as may be determined by the Board of Directors of the Transferee Company either in part or whole be adjusted against the General Reserve Account in the books of the Transferee Company, after coming into effect of the Scheme.

For PUNJAB TRACTORS LTD.

[Signature]
 Mr. K. S. Bhatnagar
 Sr. Vice President Finance
 & Company Secretary

[Signature]

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Dated this 16th January, 2009
(By the Court)

[Signature]
Assistant Registrar (Judicial)
for Registrar (Judicial)
11-2-09

Settled in the true copy
[Signature]
Examiner: *[Signature]*
11-2-09

[Signature]

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Supervisor Copy Branch
High Court of Punjab & Haryana
12-2-09

at Punjab
 Executive Judicial Department
 High Court of Punjab & Haryana
 Amalgamation under Section 394
 of THE I.E. Act

COMPANY PETITION NO. 164 of 2008
 CONNECTED WITH
 COMPANY PETITION NO. 135 of 2008

IN THE MATTER OF:
 The Companies Act, 1956

IN THE MATTER OF:

Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

IN THE MATTER OF:

Scheme of Amalgamation between Punjab Tractors Limited, having its Registered Office at Phase IV, Industrial Area, S.A.S. Nagar (Mohali), Punjab - 160055 and Mahindra and Mahindra Limited, having its Registered Office at Gateway Building, Apollo Bunder, Mumbai - 400001 and their respective shareholders.

IN THE MATTER OF:
 Punjab Tractors Limited ... Petitioner / Transferor Company

A PETITION UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT 1956 FOR SANCTION AND APPROVAL OF THE SCHEME OF AMALGAMATION.

THE PETITIONER THEREFORE PRAY:

- a. that the said Amalgamation embodied in the Scheme of Amalgamation (being Annexure "P-1" to the Petition) may be sanctioned by this Hon'ble Court with or without modifications and declare the same to be binding on the Petitioner Company and the Transferee Company and also their respective shareholders and creditors, with effect from the Appointed Date.
- b. pass an order directing the Petitioner to publish the notice of the Petition in two newspapers and the Official Gazette of Punjab Government.
- c. pass an order directing the Petitioner to issue notice of the Petition may be issued to the Regional Director, Company Law Affairs, Noida and

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- the Official Liquidator attached to this Hon'ble Court.
- d. that the Petitioner Company shall within 30 days from the date of sealing of the Order cause a certified copy of the Order sanctioning the Scheme of Amalgamation to be delivered to the Registrar of Companies Punjab, Himachal Pradesh and Chandigarh, for registration.
 - e. that liberty be reserved to the Petitioner Company and to all other persons interested in the Petition to apply to this Hon'ble Court herein as and when occasion may arise for any direction that may be necessary.
 - f. for orders in respect of such incidental, consequential and supplemental matters as are necessary to ensure that the said Scheme of Amalgamation shall be fully and effectually carried out.
 - g. that on the Scheme becoming effective the Petitioner Company shall be dissolved without being wound up.
 - h. for such other and further Order or Orders as may be made in the premises as the Hon'ble High Court shall deem fit.

Hon'ble Mr. Justice Permod Kohli

Dated 16th of January, 2009

Order on Petition

The above noted Company Petition No.164 of 2008 coming up for further hearing on 16.1.2009; upon perusing the said petition duly supported by affidavit dated 22.11.2008 of Sh. M.N. Kaushal, Sr. Vice President-Finance and Company Secretary and Authorised representative of the Petitioner Company; upon perusing the order dated 27.11.2008 whereby notice of the petition was issued to the Regional Director, Northern Region, Ministry of Corporate Affairs, Noida and the Official Liquidator and also a notice of the petition was directed to be published in Indian Express (Chandigarh Edition), Punjab Kesari (Chandigarh Edition) and Official Gazette of the Govt. of Punjab; upon perusing affidavit of Sh. Deepak Suri, Advocate dated 24.12.2008 'Indian Express (Chandigarh Edition)'

dated 11.12.2008, 'Punjab Kesari' dated 11.12.2008 and Punjab Govt. Gazette dated 12.12.2008 showing publication of notice of the petition under Section 394 of the Companies Act, 1956; and upon reading the affidavit dated 1.1.2009 of Shri Dhan Raj, Regional Director, Northern Region, Ministry of Corporate Affairs, Noida and the affidavit of Sh. M.N. Kaushal dated 7.1.2009, authorised signatory of the Petitioner Company and the report of Official Liquidator dated 8.7.2009 to the effect that the affairs of the Transferor Company have not been conducted in such a way prejudicial to the interest of its members or to the public interest; and after hearing Sh. Deepak Suri, Advocate for the Petitioner companies and Sh. D.P. Ojha, Official Liquidator and perusing all other materials placed on record:-

THIS COURT DOETH ORDER:

- (a) That all the property, rights and powers of the Transferor Company namely M/s Punjab Tractors Limited specified in the first, second and third parts of the Schedule-I & II, hereto and all other property, rights and powers of the said Transferor Companies be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and vest in the Transferee Company for all the estate and interest of the said Transferor Companies therein but subject nevertheless to all charges now affecting the same; and
- b) That all the liabilities and duties of the said Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall, pursuant to Section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities and duties of the Transferee Company; and
- c) That all proceedings now pending by or against the aforesaid Transferor Companies be continued by or against the Transferee Company; and
- d) That the aforesaid Transferor Company and Transferee Company do within 14 days cause a certified copy of this order to be delivered to the Registrar

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of Companies for registration and on such certified copy being so delivered, the Transferor Company shall stand dissolved without being wound up and the Registrar of Companies shall place all documents of the aforesaid transferor company and registered with him on the file kept by him in relation to the transferee company and the files relating to the Transferor and Transferee Companies shall be consolidated accordingly.

- e). That any person interested shall be at liberty to apply to this Court in the above matter for any direction as may be necessary.

Schedule

(As supplied by the counsel)

(See Next Page)

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PUNJAB TRACTORS LIMITEDSCHEDULE OF PROPERTY**PART I**
(Description of Freehold Property)

Description	Address
1. Registered Office / Tractor Plant I (including canteen area of adjacent to plant)	Phase IV, Industrial Area, S.A.S.Nagar (Mohali) Punjab - 160 055
2. Tractor Plant II	Swara] Combine Division, Village Chapparcher, Tehsil Khariar, Distt. S.A.S.Nagar (Mohali) Punjab
3. Foundry	Swara] Foundry Division, Village Stalba Majra, Distt. S.A.S.Nagar (Mohali) Punjab
4. R&D Complex	Swara] R&D Complex A 29-E, Industrial Area, Phase VII, S.A.S.Nagar (Mohali), Punjab
5. Marketing and Service Office	Adways Towers, 4 th Floor, 9 South Beach Road, T. Nagar, Chennai - 600 017
6. Commercial Plots of Lucknow Development Authority, Lucknow	Plot nos. 56, 57, 58 & 59, Sector B Kanpur Road, Lucknow

PART II
(Description of the Leasehold Property)

Description	Address
1. Residential Plot	#2171, Sector 15 Chandigarh

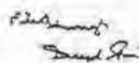
PART III

(Description of all Stocks, Shares, Debentures and other charges in action)

5,50,000 equity shares of Swara] Automotives Ltd of Rs 10 each
 41,19,000 equity shares of Swara] Engines Ltd of Rs 10 each
 2,55,440 equity shares of Industrial Development Bank of India of Rs 10 each

The above properties mentioned at Part I & II have second charge registered with the Registrar of Companies, Punjab, Jalandhar in favour of consortium of banks consisting Indian Overseas Bank, Canara Bank and State Bank of India on pari passu basis for the working capital facilities sanctioned to the Company.


 (M. K. GUPTA)
 Senior Vice President-Finance
 & Company Secretary


 27/11/09

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Dated this 16th January, 2009
(By the Court)

Sudesh
Assistant Registrar (Judicial)
for Registrar (Judicial)
11-2-09

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HIGH COURT, BOMBAY

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 707 OF 2010
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 622 OF 2010

Mahindra Shubhlabh Services Limited..Petitioner
AND

COMPANY SCHEME PETITION NO. 708 OF 2010
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 623 OF 2010

Mahindra and Mahindra Limited.....Petitioner



In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of sections 391 to 394 read with sections 78, 100 to 104 of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between Mahindra Shubhlabh Services Limited ("Demerged Company") and Mahindra and Mahindra Limited ("Resulting Company") and their respective Shareholders.

Mr. Hemant Sethi i/b Hemant Sethi & Co., Advocates for the Petitioners in both Petitions.

Ms. Soma Singh i/b H.P. Chaturvedi for Regional Director in both the Petitions.

Mr. Manvendra Kane with Ms. Motiwala i/b Motiwala & Co. for the Objectors.

Mr. Rupesh Nalavde, Advocate for Merino Industries Limited one of the Unsecured Creditor of Mahindra Shubhlabh Services Limited.

CORAM: S.J. VAZIFDAR, J

DATE: 25TH MARCH, 2011

1. Heard learned counsel for the parties.

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HIGH COURT, BOMBAY

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2. The sanction of the Court is sought under Sections 391 to 394 read with Sections 78 and 100 to 104 of the Companies Act, 1956 to the Scheme of Arrangement between Mahindra Shubhlabh Services Limited, the Demerged Company and Mahindra and Mahindra Limited, the Resulting Company and their respective Shareholders. The Scheme, inter alia, proposes to demerge the Non Fruit Business of the Demerged Company and transfer and vest into the Resulting Company.
3. Counsel appearing on behalf of the Petitioners has stated that the Petitioners have complied with all requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, Petitioners undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the rules made there under. The said undertaking is accepted.
4. The Regional Director has filed an affidavit stating therein that save and except as stated in paragraphs 6(a) & (b), 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, the Regional Director has stated that:
 - (a) "Clause 24 of the Scheme deals with change in object clause of the Memorandum of Association of the Resulting Company. In this connection the Resulting Company may be directed to comply with section 40 read with section 18 of the Act and to file amended copy of Memorandum of Association alongwith Form 21 with the Registrar of Companies."
 - (b) The deponent is in receipt of complaint/objection from Shri Chandiramani Mukesh Mohan, addressed to the Resulting Company and copy endorsed to the deponent and other regulatory authorities requesting to appoint independent valuers for valuation report and

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HIGH COURT, BOMBAY

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Independent company to give fairness opinion for the present scheme of arrangement between the Demerged Company and Resulting Company and their respective shareholders. In this connection advocate for the petitioner companies has forwarded copy of e-mail reply given by the petitioner company to Shri Chandiramani Mukesh Mohan which is self explanatory and found to be satisfactory. A copy of letter dated 28/01/2011 of M/s Hemant Sethi & Co. along with copy of above referred e-mail reply is annexed hereto and marked as Exhibit-D. This Hon'ble High Court may be pleased to consider the objections of Shri Chandiramani before passing orders on the present scheme of arrangement between the Demerged Company and Resulting Company."



5. In so far as observations made in paragraph 6(a) of the Affidavit of the Regional Director is concerned, the Petitioner/Resulting Company through its Counsel undertakes to file an amended copy of Memorandum of Association along with Form 21 with the Registrar of Companies. The said undertaking is accepted.
6. In so far as observations made in paragraph 6(b) of the Affidavit of the Regional Director is concerned, the Counsel appearing for the Petitioner/Resulting Company submits that the Resulting Company has by its E-Mail dated 20th October 2010 replied to the various queries raised by Shri Chandiramani Mukesh Mohan and thereafter there has been no response from Shri Chandiramani Mukesh Mohan. He further states that though Shri Chandiramani had attended the Court convened meeting of the Equity Shareholders, he did not vote on the proposed Scheme of Arrangement in the meeting. The Counsel appearing for the Petitioner/Resulting Company submits that the proposed Scheme of Arrangement has been approved by majority of the Equity Shareholders of the Petitioner/Resulting Company constituting a

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HIGH COURT, BOMBAY

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majority in number and three-fourth in value of the Equity Shareholders, their proxy-holders and authorised representatives present and voting at the meeting.

7. 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. None of the parties concerned have come forward to oppose the Scheme.
8. The B.P.T. has opposed the petition on the ground that it has a claim against the transferee company of an aggregate sum of about Rs.5.00 crores. He states that the liabilities of the transferor company are about Rs.29,36,00,000/- as on 31.3.2010. The assets of the transferor company are about Rs.1,59,00,000/-. In other words, according to him the rights of the B.P.T. to recover its dues from the transferee company are theoretically affected.
9. The B.P.T. has not been able to demonstrate how the scheme, if sanctioned would effectively prejudice the recovery of the dues. The liabilities of Rs.29,36,00,000/- is the entire liability of the transferor company. The scheme contemplates the transfer of the assets and liabilities of the division of the transferor company viz. non-food business. The assets of the division are about Rs.26,73,00,000/- whereas, the liabilities are about Rs.18,51,00,000/-. Apart from this in the facts and circumstances of the present case, it is difficult to say that the recovery of a sum of Rs.5.00 crores would be prejudicially affected by the scheme being sanctioned in view of the fact the net worth excluding revaluation reserve of the transferee company is Rs. 781,098,00000/-. The objection is therefore, rejected.



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HIGH COURT, BOMBAY

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10. Since all the requisite statutory compliances have been fulfilled Company Scheme Petition No 707 of 2010 is made absolute in terms of prayer clause (a) to (e) of the Petition and Company Scheme Petition No. 708 of 2010 is made absolute in terms of prayer clauses (a) and (b) of the Petition.
11. The Petitioners to lodge a copy of this order and 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, on the same within 60 days from the date of order.
12. The Petitioners in both the Petitions to pay costs of Rs.10,000/- each to the Regional Director. Costs to be paid within four weeks from today.
13. Filing and issuance of the drawn up order is dispensed with. All authorities concerned to act on a copy of this order along with Scheme and the Form of Minutes annexed to the Company Scheme Petition No. 707 of 2010 filed by the Demerged Company, duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

TRUE-COPY

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

(S.J. VAZIFDAR, J)

TRUE COPY

[Signature]
 Section Officer
 High Court, Appellate Side
 Bombay

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SCHEME OF ARRANGEMENT
BETWEEN
MAHINDRA SHUBHLABH SERVICES LIMITED
AND
MAHINDRA AND MAHINDRA LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS

PART-I

INTRODUCTION, DEFINITIONS AND SHARE CAPITAL

INTRODUCTION

- 1.1 Mahindra Shubhlabh Services Limited (hereinafter referred to as "Demerged Company"), a company incorporated under the Companies Act, 1956, and having its registered office at Mahindra Towers, Dr. G. M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai-400 018 is engaged in the business of production and distribution of agri inputs namely (1) seeds (2) seed potato, and (3) crop care products, (collectively referred to as "Agri Inputs") and domestic sales and export of fresh fruit products ("Fruits Business"). The Agri Inputs and the Fruits Business are being carried out by the Demerged Company through separate divisions.
- 1.2 Mahindra and Mahindra Limited (hereinafter referred to as "Resulting Company"), a Company incorporated under the Indian Companies Act, VII of 1913 and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001 is *inter alia* engaged in the business of the manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles and three wheelers. The shares of the Resulting Company are listed on the Stock Exchanges (hereinafter defined).
- 1.3 This Scheme, *inter alia*, proposes to demerge the Non Fruit Business (hereinafter defined in Clause 3.4 of Part I) of the Demerged Company and transfer and vest into the Resulting Company. The proposed demerger of the Non Fruit Business envisaged in this Scheme, is aimed at achieving the following business and commercial objectives and is expected to result in the following benefits for the Demerged Company and the Resulting Company:
 - 1.3.1 Demerger of the Non-Fruit Business would enable the Demerged Company to streamline its operations by being focused on the Fruits Business and explore strategic options to grow this business globally, enhance profitability and to rationalise its management, businesses and finances;
 - 1.3.2 The Resulting Company, is currently engaged in, *inter alia*, the manufacture and sale of tractors. Farmers currently form a significant portion of the Resulting Company's customer base. Pursuant to the completion of the demerger, the Resulting Company would be able to offer a range of Agri Inputs to its customers along with its existing products to enhance its offering to the customers. Offering the Agri Inputs will improve customer bonding and customer loyalty, develop further synergies, expand market penetration and reach, build on farmer touch-points and consequently enhance business profitability. The Resulting Company's existing management expertise and quality system will enhance the performance of this business. Additionally, the Agri Inputs Business is aligned with the 'Farm-Tech Prosperity' vision and the 'Samridhi' Initiative of the Resulting Company. With access to the Demerged Company's domain knowledge related to the Agri Inputs Business and agricultural / farming practices, the Resulting Company will gain better insights into farmers needs and offer them a range of suitable products and solutions.
- 1.4 The Scheme is beneficial to the respective shareholders, creditors, employees and all stakeholders of the Demerged Company as well as the Resulting Company and will enable both the companies to achieve and fulfill their objectives more efficiently and economically. The Scheme is expected to contribute in furthering and fulfilling the objects of both the companies and in the growth and development of their respective businesses.
- 1.5 The Scheme has been approved by the Board of Directors of the Demerged Company and the Resulting Company and it has been decided that requisite application / petition before the High Court of Judicature of Bombay for seeking necessary directions and the sanction of this Scheme, shall be filed. The Scheme is also subject to the approval of the requisite majority of the respective shareholders' and/or creditors, as the case may be, of the Demerged Company and the Resulting Company and / or such other statutory approvals/ clearances, if any, as more particularly set out in the Scheme.
- 1.6 This Scheme accordingly, *inter alia*, provides for (i) reorganisation of capital of the Demerged Company, and (ii) demerger of the Non Fruit Business of the Demerged Company and transfer and vesting thereof into the Resulting Company including consequential or related matters integrally connected therewith.
- 1.7 The transfer of the Demerged Undertaking shall be on a going concern basis.

2. PARTS OF THE SCHEME

- 2.1 This Scheme of Arrangement is divided into the following parts:
 - 2.1.1 PART I deals with the Introduction, definitions and share capital of the Demerged Company and the Resulting Company;
 - 2.1.2 PART II deals with the reorganisation of the capital of the Demerged Company and the accounting treatment in connection therewith. For the purposes of this Scheme, Part II shall take effect prior to the coming into effect of Part III;
 - 2.1.3 PART III deals with the demerger of the Non-Fruit Business of the Demerged Company and transfer and vesting thereof into the Resulting Company;

- 2.1.4 PART IV deals with the Remaining Business (defined hereinafter) of the Demerged Company;
- 2.1.5 PART V deals with the consideration for the demerger and change in share capital;
- 2.1.6 PART VI deals with accounting treatment for the demerger in the books of the Demerged Company and the Resulting Company consequent to the demerger; and
- 2.1.7 PART VII deals with general terms and conditions applicable to this Scheme.

DEFINITIONS

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out hereinbelow:

- 3.1 "Act" means the Companies Act, 1956, including any statutory modifications, re-enactments or amendments thereof for the time being in force;
 - 3.2 "Appointed Date" means 1st January, 2010;
 - 3.3 "Agri Input Business" means the Demerged Company's entire undertaking, business, activities and operations pertaining to the Agri Inputs. The term Agri Input Business shall include the following:
 - 3.3.1 All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible) wherever situated and of whatever nature, pertaining thereto through which the Demerged Company carries on the business, activities and operations relating to the Agri Inputs;
 - 3.3.2 All present and future liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, current liabilities and provisions, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the business activities and/or operations relating solely to the Agri Inputs. It is clarified that the loans availed by the Demerged Company from EXIM Bank for the pre and post shipment credit facilities of the Demerged Company shall not form part of the liabilities of the Agri Input Business;
 - 3.3.3 Without prejudice to the generality of the above, the Agri Input Business shall also include in particular:
 - 3.3.3.1 Investments including shares held by the Demerged Company in certain unlisted companies as more particularly described in Schedule 1;
 - 3.3.3.2 Land (freehold and leasehold properties), buildings, plant and machinery, equipments, furniture and fixture, vehicles and any other fixed asset in relation to the Agri Input Business;
 - 3.3.3.3 All tax losses and unabsorbed depreciation under the provisions of Section 2(19AA) and Section 72A(4) of Income-tax Act, 1961 as more particularly described in Schedule 2;
 - 3.3.3.4 All current assets, inventory, stock-in-trade, account receivables, loans and advances, pre-paid expenses and other assets in relation to the Agri Input Business;
 - 3.3.3.5 Cash and cash equivalents, bank balances and bank accounts relating to the Agri Inputs Business including fixed deposits;
 - 3.3.3.6 Security deposits, advances, earnest monies, advance lease rentals or other payments made to or received from the lessors or suppliers or service providers in relation to the Agri Input Business;
 - 3.3.3.7 All agreements, rights, contracts, entitlements, permits, licences, registrations, insurance policies, approvals, consents, engagements, arrangements, subsidies, concessions, exemptions and all other privileges and benefits of every kind, nature and description whatsoever (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, etc, unutilised deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilised MOD/VAT/CENVAT/ Service tax credits, etc.) relating to the Agri Input Business;
 - 3.3.3.8 All employees of the Demerged Company excluding those who are engaged in relation to the Remaining Business (as defined hereinafter);
 - 3.3.3.9 All records, files, documents, reports, papers, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the Agri Input Business;
 - 3.3.3.10 All intellectual property rights owned or licensed, records, files, papers, data and documents relating to the Agri Inputs Business, Brand name "Mahindra Shubhlabh" and domain name;
 - 3.3.3.11 All pending litigation or proceedings filed by or against the Demerged Company pertaining to the Agri Input Business;
 - 3.3.3.12 All loans and cash credit facilities availed of by the Demerged Company for the purposes of the Agri Input Business and other liabilities incurred in connection therewith;
- Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Agri Input Business or whether it arises out of the activities or operations of the Agri Input Business shall be decided by mutual agreement between the Demerged Company and the Resulting Company.

- 3.4 "Demerged Undertaking / Non Fruit Business" means the Agri Input Business along with the Other Common Assets and Liabilities of the Demerged Company being demerged from the Demerged Company and transferred to the Resulting Company pursuant and subject to the provisions of this Scheme.
- 3.5 "Effective Date" or "coming into effect of this Scheme" or "upon the Scheme becoming effective" means the last of the dates on which the certified or authenticated copy of the orders sanctioning the Scheme passed by the High Court of Judicature of Bombay or any other appropriate authority, as may be applicable, are filed with the Registrar of Companies, Mumbai.
- 3.6 "Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentally, judicial or arbitral body having jurisdiction over the territory of India.
- 3.7 "High Court" means the High Court of Judicature of Bombay or such other competent authority under the provisions of Sections 391 to 394 of the Act and shall include the National Company Law Tribunal, if applicable;
- 3.8 "Other Common Assets and Liabilities" means all other assets and liabilities of the Demerged Company other than assets and liabilities pertaining to the Fruits Business and shall include:
- 3.8.1 All agreements, rights, contracts, entitlements, permits, licences, registrations, approvals, consents, engagements, arrangements, subsidies, concessions, exemptions and all other privileges and benefits of every kind, nature and description whatsoever in relation to such common assets and liabilities;
- 3.8.2 All earnest moneys, fixed deposits, bank accounts, security deposits and/or other payments, if any, paid or received by the Demerged Company in relation to such common assets and liabilities;
- 3.8.3 All pending litigation or proceedings filed by or against the Demerged Company in relation to such common assets and liabilities;
- 3.8.4 Land (freehold and leasehold properties) & buildings including land and building at Madurai, plant and machinery, equipments, furniture and fixture, vehicles and any other fixed asset in relation to such common assets and liabilities;
- 3.8.5 All current assets, inventory, stock-in-trade, account receivables, loans and advances, pre-paid expenses and other assets in relation to such common assets and liabilities;
- 3.8.6 All employees pertaining to such common assets and liabilities;
- 3.8.7 All records, files, documents, reports, papers, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the in relation to such common assets and liabilities;
- 3.9 "Record Date" means the date to be fixed by the Resulting Company in consultation with the Demerged Company for the purpose of reckoning names of the equity shareholders of the Demerged Company, who shall be entitled to receive shares of the Resulting Company upon coming into effect of this Scheme.
- 3.10 "Remaining Business / Fruits Business" of the Demerged Company shall mean all undertakings, businesses, activities and operations including assets and liabilities of the Demerged Company other than the Non Fruit Business. It shall specifically include the business relating to fresh fruit products in domestic and export markets.
- 3.11 "Scheme" means this Scheme of Arrangement between Mahindra Shubhlabh Services Limited and Mahindra and Mahindra Limited and their respective shareholders, in its present form and with any modifications and amendments thereto.
- 3.12 "Specified Shareholders" means the Shareholders defined in Clause 18.
- 3.13 "Stock Exchanges" shall have the meaning ascribed to the term in Clause 5.4.
- The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.
4. **DATE OF TAKING EFFECT AND OPERATIVE DATE**
- This Scheme set out herein in its present form or with any modifications approved or imposed or directed by the High Court shall be effective from the Appointed Date but shall be operative from the Effective Date.
5. **SHARE CAPITAL**
- 5.1 The share capital of the Demerged Company as on 31st December, 2009 is as under:
- | Particulars | Amount (Rs.) |
|---|--------------|
| Authorised | - |
| 6,00,00,000 equity shares of Rs.10 each | 6,00,00,000 |
| Issued, Subscribed and Paid-up | - |
| 3,89,33,513 equity shares of Rs.10 each | 38,93,35,130 |
- 5.1.1 Subsequent to 31st December, 2009, there is no change in the capital structure of the Demerged Company.
- 5.1.2 The equity shares of the Demerged Company are not listed on any stock exchange in India.



- 5.2 The share capital of the Resulting Company as on 31st December, 2009 is as under:

Particulars	Amount (Rs.)
Authorised	
60,00,00,000 ordinary (equity) shares of Rs.10 each and 25,00,000 unclassified shares of Rs.100 each	6,25,00,00,000
Issued, Subscribed and Paid-up	
27,98,21,265 ordinary (equity) shares of Rs.10 each	2,79,82,12,650

- 5.3 The shareholders of the Resulting Company vide Resolution dated 11th March, 2010 have approved sub-division (stock-split) of each ordinary (equity) share of face value of Rs.10, fully paid-up, in the equity share capital of the Resulting Company into two ordinary (equity) shares of the face value of Rs.5 each fully paid-up. The record date for the same was fixed as 30th March, 2010.

93,95,974 ordinary (equity) shares of Rs.10 each were allotted to Golboot Holdings Limited in the month of January, 2010 upon compulsory conversion of 93,95,974 Fully and Compulsorily Convertible Debentures.

Consequently, the authorised, issued, subscribed and paid-up share capital of the Resulting Company as on 31st March, 2010 is as under:

Particulars	Amount (Rs.)
Authorised	
1,20,00,00,000 ordinary (equity) shares of Rs.5 each and 25,00,000 unclassified shares of Rs.100 each	6,25,00,00,000
Issued, Subscribed and Paid-up*	
57,84,34,478 ordinary (equity) shares of Rs.5 each	2,89,21,72,390

* The Foreign Currency Convertible Bonds ("FCCBs") of the Resulting Company are listed on the Singapore Exchange Securities Trading Limited. As at 31st March 2010, FCCBs amounting to US\$ 18,95,00,000 convertible into around 1,82,58,622 ordinary (equity) shares of Rs.5 each were outstanding.

- 5.4 The equity shares of the Resulting Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited (collectively referred to as the "Stock Exchanges").

PART- II

REORGANISATION OF SECURITIES PREMIUM AND SHARE CAPITAL OF THE DEMERGED COMPANY

5. REORGANISATION OF SECURITIES PREMIUM AND SHARE CAPITAL

- 6.1 As per the financials of the Demerged Company as on the Appointed Date, the Demerged Company has accumulated losses to the extent of Rs.29,64,84,269. It is proposed to write off the accumulated losses first against the securities premium account of the Demerged Company and subsequently, to the extent necessary, the balance against the share capital of the Demerged Company.

- 6.2 Upon coming into effect of this Scheme, the securities premium account and the issued, subscribed and paid-up equity share capital of the Demerged Company, shall be reduced to the extent of the debit balance of "Profit and Loss Account" appearing in the balance sheet of Demerged Company in the following sequence:

- 6.2.1 The entire securities premium account as on 31st December, 2009 aggregating to Rs. 5,05,29,941 of the Demerged Company shall stand reduced to NIL;

- 6.2.2 The reorganisation of issued, subscribed and paid-up equity share capital of Demerged Company shall be effected, proportionately among the equity shareholders of the Demerged Company, by an amount equal to debit balance of "Profit and Loss Account" appearing in the balance sheet of Demerged Company post adjustment as mentioned in Clause 6.2.1. Accordingly, out of the paid-up and issued share capital of the Demerged Company, 2,45,95,433 equity shares of face value of Rs.10 each aggregating to Rs. 24,59,54,330 shall be cancelled and reduced proportionately from the holdings of all the existing shareholders of the Demerged Company. The fractions, if any, pursuant to the reorganisation of the equity share capital as envisaged above, shall be rounded off to the next higher whole number. The details of the shareholding of the Demerged Company pursuant to the re-organisation of capital as contemplated under this Clause, is more particularly described in Schedule 3, hereto;

- 6.3 The share certificates of the Demerged Company in relation to the equity shares held by its equity shareholders shall, without any further application, act, instrument or deed, be deemed to have been automatically modified pursuant to the reorganisation of share capital contemplated in Clause 6.2.2 above;

- 6.4 The reorganisation of securities premium and share capital as aforesaid of the Demerged Company shall be effected as an integral part of and in terms of this Scheme and shall constitute sufficient compliance in terms of Sections 100 to 104 of the Act and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. However the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reorganisation;

- 6.5 Consequent upon such reorganisation, as mentioned above, the issued, subscribed and paid-up share capital of Demerged Company will be revised as under:

Issued, Subscribed, and Paid-up	Amount (Rs.)
1,43,38,080 equity shares of Rs. 10 each fully paid-up	14,33,80,800

6.6 Accounting treatment in the books of Demerged Company:

With effect from the Appointed Date:

- 6.6.1 The credit of Rs. 29,64,84,269 arising on account of the reorganisation of securities premium and share capital of the Demerged Company in terms of Clauses 6.2.1 and 6.2.2 above, shall be adjusted against the debit balance of "Profit and Loss Account" appearing in the Balance Sheet of Demerged Company.

6.7 Accounting treatment in the books of Resulting Company:

With effect from the Appointed Date:

- 6.7.1 Consequent to the reorganisation of the securities premium and share capital of the Demerged Company, as mentioned above the Resulting Company shall also effect reorganisation of its investment cost proportionate to its cost of holdings and such reorganisation in the investment cost as contemplated above shall be adjusted against the balance lying to the credit of the existing investment fluctuation reserve of the Resulting Company, net of any provision carried against such specific investment

PART – III

DEMERGED UNDERTAKING

7. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking (including all the estate assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) pursuant to the provisions of Sections 391 to 394 of the Act and Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern without any further act, deed, matter or thing in the following manner:

7.1 Assets

- 7.1.1 The whole of the Demerged Undertaking shall without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in the Resulting Company so as to vest in the Resulting Company all rights, title and interest pertaining to the Demerged Undertaking;
- 7.1.2 All assets, investments, right, title or interest acquired by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act, provided however that no onerous asset shall have been acquired by the Demerged Company in relation to any Demerged Undertaking after the Appointed Date without the prior written consent of the Resulting Company;
- 7.1.3 In respect of all the movable assets of the Demerged Undertaking and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash in hand, shall be so transferred to the Resulting Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Resulting Company to the and and intent that the property and benefit therein passes to the Resulting Company with effect from the Appointed Date. Such delivery and transfer shall be made on a date mutually agreed upon between the Demerged Company and the Resulting Company. However such date of delivery shall be within 30 (thirty) days from the Effective Date or such other date as may be mutually agreed upon by the Demerged Company and the Resulting Company.

7.2 Contracts

- 7.2.1 All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favour of, as the case may be, the Resulting Company in which the Demerged Undertaking vests by way of demerger hereunder and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder;
- 7.2.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, 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, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of Part III of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

7.3 Liabilities

- 7.3.1 All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Demerged Undertaking shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and it shall not be



necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause;

- 7.3.2 Where any of the loans raised and used, liabilities and obligations incurred, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged 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;
- 7.3.3 All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking with prior approval of the Resulting Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet discharge and satisfy the same.

7.4 Licences and Permissions

Any statutory licenses, permissions or approvals or consents held by the Demerged Company required to carry on operations of the Demerged Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company as if they were originally obtained by the Resulting Company. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed of by the Demerged Company relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.

7.5 This Scheme is in compliance with the conditions relating to "Demerger" as specified under Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 such that:

- 7.5.1 All the properties of the Demerged Undertaking being transferred by the Demerged Company become the properties of the Resulting Company by virtue of the demerger;
- 7.5.2 All the liabilities relating to the Demerged Undertaking being transferred by the Demerged Company, immediately before the demerger become the liabilities of the Resulting Company by virtue of the demerger;
- 7.5.3 The properties and the liabilities, if any, relating to the Demerged Undertaking being transferred by the Demerged Company are transferred to the Resulting Company at the values appearing in the books of account of the Demerged Company immediately before the demerger;
- 7.5.4 The Resulting Company shall issue shares to the shareholders of the Demerged Company as a consideration for the demerger on a proportionate basis, in accordance with the provisions of this Scheme;
- 7.5.5 All shareholders of the Demerged Company (except certain Specified Shareholders, as defined hereinafter) shall become the shareholders of the Resulting Company by virtue of the demerger; and
- 7.5.6 The transfer of the Demerged Undertaking will be on a going concern.

If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961, the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961; such modification shall not affect other parts of the Scheme. Accordingly as applicable under Section 2(19AA) and Section 72A(4) of Income-tax Act, 1961, all unabsorbed depreciation and carried forward tax losses relating to the Demerged Undertaking shall be transferred to and vest in the Resulting Company immediately from the Appointed Date.

7.6 Any accumulated losses and allowance for unabsorbed depreciation upto the Effective Date, which is directly relating to the Demerged Undertaking, shall be deemed to be available for carry forward and set off in the hands of the Resulting Company in accordance with the provisions of Section 72A(4) of the Income-tax Act, 1961.

8. SECURITY

- 8.1 The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgage and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof to the extent that such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking. It is agreed by and between the Demerged Company and the Resulting Company, that pursuant to the demerger, necessary steps shall be taken in order to effect the change/ modification of charges, if any, in the records of the Registrar of Companies.

8.2 It is clarified that unless otherwise determined by the Board of Directors of the Resulting Company, in so far as the assets comprising the Demerged Undertaking are concerned:

- 8.2.1 the security or charge relating to loans or borrowings of the Demerged Company, in relation to the Demerged Undertaking, shall without any further act or deed continue to relate to the said assets only after the Appointed Date and shall not relate to or be available as security in relation to any other borrowings of the Demerged Company and vice-versa;

8.2.2 similarly the security or charge relating to loans or borrowings of the Demerged Company, in relation to the Demerged Undertaking, shall continue to relate to the said assets only after the Appointed Date and shall not relate to or be available as security in relation to any other borrowings of the Resulting Company and vice versa; and

8.2.3 the other assets of the Demerged Company shall not relate to or be available as security in relation to the said borrowings of the Demerged Company, in relation to the Demerged Undertaking.

8.3 The Demerged Company may enter into such alternate arrangements with the lenders pursuant to the release of security as per the provisions mentioned in Clause 8.2 above.

9. TRANSFER AT BOOK VALUES

All the assets, properties and liabilities of the Demerged Undertaking shall be transferred to the Resulting Company at the values appearing in the books of the Demerged Company (at historical cost less depreciation) on the Appointed Date.

10. EMPLOYEES

10.1 On and from the Effective Date, all permanent employees relating to the Demerged Undertaking, as were employed by the Demerged Company, immediately before such date, shall become the employees of the Resulting Company with the benefit of continuity of service and without any break or interruption in service. It is clarified that the employees of the Demerged Undertaking, who become employees of the Resulting Company by virtue of this Scheme, shall continue to be governed by the same terms of employment as were applicable to them immediately before the demerger. The Resulting Company undertakes to abide by any agreement/settlement, if any, entered into by the Demerged Company with any of its respective employees thereof. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Demerged Company shall be taken into account;

10.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund created or any other special fund existing for the benefit of the employees of the Demerged Company, in relation to the Demerged Undertaking shall become the funds of the Resulting Company, for all purposes whatsoever in relation to the administration or operation of such fund(s) or in relation to the obligation to make contributions to the said fund(s) in accordance with the provisions thereof as per the terms provided in the respective trust deeds; if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company, in relation to the Demerged Undertaking in relation to such fund(s) shall become those of the Resulting Company. These funds shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company for the benefit of the employees of the Demerged Undertaking or be transferred to and merged with other similar funds of the Resulting Company. It is clarified that the services of the employees of the Demerged Company, in relation to the Demerged Undertaking shall be treated as having been continuous for the purpose of the said fund(s);

10.3 With effect from the date of filing of this Scheme with the High Court and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees, except with the prior written consent of the Resulting Company.



11. BUSINESS AND PROPERTY IN TRUST

11.1 During the period between the Appointed Date and up to and including the Effective Date:

11.1.1 The Demerged Company shall be deemed to have been carrying on all the business and activities relating to the Demerged Undertaking and shall be deemed to hold and stand possessed of the entire business and undertakings in relation to the Demerged Undertaking for and on account of and in trust, on behalf of the Resulting Company;

11.1.2 All the income or profits accruing or arising to the Demerged Company and all costs, charges, expenses or losses incurred by the Demerged Company, in relation to the Demerged Undertaking shall for all purposes of this demerger be treated as the income, profits, costs, charges, expenses and losses of the Resulting Company, as the case may be;

11.1.3 Any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company;

11.1.4 The Demerged Company shall carry on the Agri Input Business with reasonable diligence and business prudence and shall not alter or diversify respective businesses within the Agri Input Business nor venture into any new businesses (except for Remaining Business), nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of this Scheme by the respective boards of directors of the Demerged Company and the Resulting Company.

11.2 The Demerged Company shall not utilise the profits or income in relation to the Demerged Undertaking for the purpose of declaring or paying any dividend in respect of the period falling on and after the Appointed Date, without the prior written consent of the Resulting Company.

11.3 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities or other appropriate forums as may be required under any applicable law, for such consents, approvals and sanctions which the Resulting Company may require to carry on the Non Fruits Business.

2. PENDING PROCEEDINGS

- 12.1 All legal, administrative and other proceedings, of whatsoever nature pending in any court or before any authority, judicial, quasi judicial or administrative or any adjudicating authority and/or arising after the Appointed Date and relating to the Demerged Undertaking, or its respective properties, assets, debts, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against the Demerged Company; and from the Effective Date, shall be continued and enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company, had the Scheme not been made. On and from the Effective Date, the Resulting Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Demerged Undertaking, in the same manner and to the same extent as would or might have been initiated by the Demerged Company as the case may be, had the Scheme not been made;
- 12.2 If any suit, appeal or other proceedings relating to the Demerged Undertaking, of whatever nature by or against the Demerged Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the demerger of the Demerged Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if this Scheme had not been made.

13. SAVING OF CONCLUDED TRANSACTIONS

- 13.1 The transfer of properties and liabilities and the continuance of proceedings by or against the Resulting Company, as envisaged under this Scheme, shall not affect any transaction or proceedings already concluded by the Demerged Company, in relation to the Demerged Undertaking on or after the Appointed Date till the Effective Date, to the intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company, in relation to the Demerged Undertaking, as done and executed on behalf of itself.

14. VALIDITY OF EXISTING RESOLUTIONS, ADJUSTMENTS ETC.

- 14.1 Upon the coming into effect of this Scheme, the Resolutions of the Demerged Company, as are considered necessary by the Board of Directors of the Resulting Company and which are valid and subsisting as on the Effective Date shall continue to be valid and subsisting and be considered as Resolutions of the Resulting Company and if any such Resolutions have any monetary limits approved under the provisions of the Act, or of any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Resulting Company shall be added to the limits, if any, under like Resolutions passed by the Resulting Company and shall constitute the aggregate of the said limits in the Resulting Company.

Necessary adjustments as may required to retain the swap ratio as determined by the valuers appointed by the Resulting Company and the Demerged Company shall be made in the event that either of the Demerged Company or the Resulting Company (It and as may be permitted by applicable law) makes a free distribution of shares or a bonus issue of its shares or divides its outstanding shares; consolidate their respective outstanding shares into a smaller number of shares, re-classify any of their respective shares into other securities or reduce or reorganise their respective share capital in any manner whatsoever whether pursuant to the Scheme or otherwise. The manner in which the adjustments shall be made shall be mutually agreed between the Demerged Company and the Resulting Company.

PART IV

REMAINING BUSINESS

15. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 15.1 The Remaining Business of the Demerged Company and all other assets, liabilities, incentives, rights and obligations pertaining thereto shall continue to be vested in and managed by the Demerged Company in the manner as provided below.
- 15.2 All legal and other proceedings including any insurance claims by or against the Demerged 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 of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.
- 15.3 With effect from the Appointed Date and including the Effective Date;
- 15.3.1 the Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;
- 15.3.2 the Demerged Company may enter into such contracts as the Demerged Company may deem necessary in respect of the Remaining Business;
- 15.3.3 all profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Demerged Company;
- 15.3.4 All assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company;
- 15.3.5 All liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Business shall belong to and continue to remain vested in the Demerged Company.

PART V

CONSIDERATION AND CHANGE IN SHARE CAPITAL

CONSIDERATION

- 16.1 In consideration of the transfer and vesting of the Demerged Undertaking in accordance with the provisions of this Scheme, the share capital of the Resulting Company shall be increased in the manner set out in this Clause.
- 16.2 Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application or deed, for every 190 (One Hundred and Ninety) fully paid-up equity shares of Rs. 10 each of the Demerged Company, issue and allot to each member of the Demerged Company whose name appears in the register of members of the Demerged Company as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, subject to the provisions of Clause 16.3 below, 1 (One) fully paid-up ordinary (equity) share of Rs 5 each, of the Resulting Company. The number of ordinary (equity) shares of the Resulting Company, to which the shareholders of the Demerged Company are entitled to, are more particularly prescribed in Schedule 4 hereto. For this purpose the number of shares held by the shareholders / members of Demerged Company before reorganisation of share capital as referred in clause 6 and 19 will be considered. For the purposes of the allotment referred to in this Clause, fractional entitlements shall be rounded-off to the next higher whole number.
- 16.3 The ordinary (equity) shares to which the Specified Shareholders are entitled to in terms of Clause 16.2 above, pursuant to the provisions of the Act, shall stand cancelled as an integral part of this Scheme without any further act or deed for cancellation thereof by the Demerged Company.
- 16.4 The ordinary (equity) shares to be issued by the Resulting Company pursuant to Clause 16.2 above shall be issued in dematerialised form, provided that the members of the Demerged Company have an account with a depository participant and provided details thereof and such other confirmations as may be required are furnished by such members of the Demerged Company to the Resulting Company on or before the Record Date.
- 16.5 The ordinary (equity) shares of the Resulting Company to be issued to the members of the Demerged Company pursuant to Clause 16.2 above shall be subject to the memorandum and articles of association of the Resulting Company and shall rank *pari passu* in all respects, including dividend, with the existing ordinary (equity) shares of Resulting Company.
- 16.6 The ordinary (equity) shares of the Resulting Company are listed and admitted to trading on the Stock Exchanges. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges with respect to the issue of ordinary (equity) shares under this Scheme. On such formalities being fulfilled, the Stock Exchanges shall list and/or admit such equity shares issued pursuant to this Scheme, for the purpose of trading. The ordinary (equity) shares allotted pursuant to Clause 16.2 shall remain frozen in the depositories system till listing /trading permission is given by the Stock Exchanges, respectively and shall be subject to such lock-in as may be prescribed by the Stock Exchange and/or other Governmental Authorities.
- 16.7 The issue and allotment of ordinary (equity) shares by the Resulting Company, to the shareholders of Demerged Company as provided hereunder is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 81 (1A) and any other applicable provisions of the Act were duly complied with.
- 16.8 For the purpose of issue of ordinary (equity) shares to the shareholders of the Demerged Company, the Resulting Company shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of the Reserve Bank of India and other concerned authorities.

COST OF ACQUISITION

- 17.1 For the purposes of Income-tax Act, 1961:
- 17.1.1 The cost of acquisition of the ordinary (equity) shares of the Resulting Company in the hands of the shareholders of the Demerged Company shall be the amount which bears to the cost of acquisition of shares held by the shareholder in the Demerged Company in the same proportion as the net book value of the assets transferred in the demerger to the Resulting Company bears to the net worth of the Demerged Company immediately before the demerger hereunder;
- 17.1.2 The period for which the share(s) in the Demerged Company were held by the shareholders shall be included in determining the period for which the shares in the Resulting Company have been held by the respective shareholders.



18. SPECIFIED SHAREHOLDERS

- 18.1 The Resulting Company is currently a shareholder of the Demerged Company holding 2,46,81,430 equity shares of Rs.10 each amounting to 63.39% of the issued and paid-up equity share capital of the Demerged Company solely in its own name. The Resulting Company also holds certain equity shares of the Demerged Company jointly with the following individuals as nominees, for the purpose of compliance with the minimum shareholding requirement as prescribed under the Act:
- 18.1.1 1 equity share jointly with Mr. U.Y Phadke
- 18.1.2 1 equity share jointly with Mr. Gauram Nagvekar
- 18.1.3 1 equity share jointly with Mr. A.G Tawde
- 18.1.4 1 equity share jointly with Mr. C. Krishnadas
- 18.1.5 1 equity share jointly with Mr. M.A. Nazareth
- 18.1.6 1 equity share jointly with Ms. Roshni Sagrelia
- 18.1.7 1 equity share jointly with Mr. Raghunath Murl
- 18.2 Mahindra Holdings Limited is currently a wholly owned subsidiary of the Resulting Company and a shareholder of the Demerged Company holding 76,53,517 equity shares of Rs.10 each amounting to 19.66% of the issued and paid-up equity share capital of the Demerged Company.
- 18.3 The shareholders of the Demerged Company as set out in Clauses 18.1 and 18.2 shall be collectively referred to as the "Specified Shareholders" for the purposes of this Scheme.
- 18.4 On account of the provisions of Section 42, Section 77, and other relevant provisions of the Act, the Specified Shareholders shall not be entitled to be allotted or hold ordinary (equity) shares being issued by the Resulting Company to the shareholders of the Demerged Company in the manner contemplated in Clause 15.2. Consequently, it has been agreed by the Specified Shareholders that their entitlement to the ordinary (equity) shares of the Resulting Company, as contemplated above shall stand cancelled in the manner set out in Clause 16.3.

PART VI**REDUCTION OF CAPITAL PURSUANT TO DEMERGER AND ACCOUNTING TREATMENT****19. REDUCTION OF SHARE CAPITAL OF THE DEMERGED COMPANY PURSUANT TO DEMERGER**

- 19.1 Upon the demerger and resultant transfer and vesting thereof of assets and liabilities of the Non Fruit Business as envisaged in Clause 7 of the Scheme, the share capital of the Demerged Company will no longer be fully represented by assets, and to reflect the same, as an integral part of the Scheme, the share capital comprising the shareholder's funds is proposed to be reduced as provided below.
- 19.2 Reorganisation of the share capital of the Demerged Company with effect from the Appointed Date:
- 19.2.1 The issued, subscribed and paid-up equity share capital of the Demerged Company shall be reduced by Rs.8,22,35,660 by cancelling/ reducing 82,23,566 equity shares of Rs.10 each proportionately amongst the equity shareholders of the Demerged Company;
- 19.2.2 The share certificates of the Demerged Company in relation to, the equity shares held by its equity shareholders shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled pursuant to the reorganisation of share capital as contemplated above and requisite equity share certificates will be issued by the Demerged Company;
- 19.2.3 The reorganisation of share capital of the Demerged Company as aforesaid, shall be effected as an integral part of and in terms of this Scheme and shall be sufficient compliance in terms of Sections 100 to 104 of the Act and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. However the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reorganisation;
- 19.2.4 Consequent upon such reorganisation, the issued, subscribed and paid-up share capital of the Demerged Company will be revised as under:

Issued, Subscribed, and Paid-up	Amount (Rs.)
61,14,514 equity shares of Rs. 10 each fully paid-up	6,11,45,140

The details of the shareholding of the Demerged Company pursuant to the reorganisation of capital as contemplated under this Clause, is more particularly described in Schedule 3, hereto.

20. IN THE BOOKS OF THE DEMERGED COMPANY

- 20.1 The assets and the liabilities of the Demerged Company being transferred to the Resulting Company shall be at values appearing in the books of accounts of the Demerged Company on the Appointed Date;
- 20.2 The excess of assets over the liabilities transferred in accordance with the aforesaid Clauses will be debited to the share capital account of the Demerged Company. For this purpose the number of shares will be further cancelled and reduced in terms of Clause 19 over and above the reorganisation indicated in Clause 6 of this Scheme.

IN THE BOOKS OF THE RESULTING COMPANY

- 21.1 Upon the Scheme becoming effective, the Resulting Company shall:
- 21.1.1 record the assets and liabilities pertaining to the Demerged Undertaking, at the respective book values as appearing in the books of the Demerged Company as on the Appointed Date;
 - 21.1.2 credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to this Scheme and Clauses 16.2 and 16.3 above;
- 21.2 The difference being excess of assets over liabilities recorded by the Resulting Company, over the amount credited as share capital, will be credited to the Securities Premium account of the Resulting Company. In case of there being a shortfall, the same shall be debited to and carried forward as goodwill.

PART VII

OTHER TERMS & CONDITIONS

DISPENSATION FROM ADDITION OF THE WORDS "AND REDUCED"

The proposed reduction of securities premium account and share capital and of the Demerged Company as envisaged in the Scheme shall not affect or impair in any manner the rights and interests of any of the creditors (whether secured or unsecured) of the Demerged Company or the Resulting Company, since the Demerged Company and the Resulting Company shall, post such reduction, continue to be in a position to honour the dues of their respective creditors. Therefore, the Demerged Company seek liberty of the High Court for dispensation of words "and reduced" to be added as suffix to its name, as contemplated in section 102(2) and 102(3) of the Act.

DECLARATION OF DIVIDEND

- 23.1 During the period between the Appointed Date and up to and including the Effective Date, the Demerged Company shall not declare any dividend without the prior written consent of the Resulting Company.
- 23.2 For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Resulting Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the Record Date for the purpose of dividend and the shareholders of the Demerged Company shall not be entitled to dividend, if any, declared by the Resulting Company prior to the Effective Date.

ALTERATION OF MAIN OBJECTS OF THE RESULTING COMPANY

- 24.1 Upon the demerger becoming effective, the Resulting Company will continue to run the Agri-Input Business of the Demerged Company on the same lines as carried on by the Demerged Company. For the aforesaid purpose and upon the demerger becoming effective, the objects clause of the memorandum of association of the Resulting Company will be deemed to be amended, without requiring any further approvals of the shareholders of the Resulting Company under Sections 17 and 149(2A) of the Act and the existing Clause III (A) (1) of the main object clause of the Demerged Company shall be inserted as a new Clause 3 (xvii) (Y) in the object clause of the memorandum of association of the Resulting Company, which shall read as follows:

"To carry on the business of wholesale trading of seeds, fertilizers, agro chemicals, nutrients and all other types of inputs used in agriculture and related activities including supplying, hiring and rental services for Tractors, implements, farm machinery and machinery related to agriculture and food processing, irrigation and water management equipment, maintenance services of all farm equipments, food processing equipment, irrigation equipment, consultancy services related to farming, farm machinery, food processing machinery, agricultural produce marketing, food processing business, information technology based computation, communication and Internet based services related to agricultural information, food industry information, commodities information, weather, rural affairs, social affairs, news and all other information, trading of agricultural produce through buying, selling, commission agency and providing post harvest services to farmers and agri industry to provide storage, grading, sorting, packing, post harvest processing and transportation of agricultural produce, research, development and educational activities relating to farming practices, use of new technologies of seeds, fertilizers, chemical, nutrients, new techniques of mechanisation of agriculture, agricultural economics, post harvest technology practice and demonstration farms, entertainment, health, restaurant and educational services relating to contract farming by contracting farmers and corporate farming by the Company, opening and operating outlets for all the above activities whether through Company owned outlets, joint ventures, franchising and subcontracting arrangements for all the aforesaid purposes."

- 24.2 Upon the coming into effect of this Scheme, the Resulting Company shall file an amended copy of memorandum and articles of association with the Registrar of Companies, Mumbai.
- 24.3 The alteration of the object clause of the Resulting Company shall be affected as an integral part of this Scheme.

The Scheme would not be prejudicial to the interests of the creditors (secured and unsecured) of either of the companies. The latest accounts of both the companies indicate that they are in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of either of the companies would lose or be prejudiced as a result of the Scheme being passed, since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the demerger will not cast any additional burden on the shareholders or creditors of either company, nor will it adversely affect the interest of any of the shareholders or creditors.



APPLICATION TO THE HIGH COURT

- 26.1 The Demerged Company and the Resulting Company shall make applications / petitions to the High Court for sanction of this Scheme, under Sections 391 to 394 read with Sections 100 to 104 and other applicable provisions of the Act.
- 26.2 Any dispute arising out of this Scheme shall be subject to the jurisdiction of the High Court.

27. CONDITIONALITY OF THE SCHEME

- 27.1 This Scheme is and shall be conditional upon and subject to:

- 27.1.1 The Scheme being agreed to by the requisite majority of the respective members and / or creditors of the Demerged Company as well as the Resulting Company, as may be directed by the High Court;
- 27.1.2 The Scheme being approved by the Stock Exchanges;
- 27.1.3 The Scheme being approved by the High Court under Sections 391 to 394 read with Sections 100 to 104 of the Act;
- 27.1.4 Requisite approvals being obtained from Reserve Bank of India / Foreign Investment Promotion Board, as may be applicable;
- 27.1.5 The authenticated certified copy of the order of the High Court sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai.

28. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 28.1 Each of the Demerged Company and the Resulting Company (acting through their Board of Directors, Committee thereof or any director authorised by the Board of Directors to this effect) may assent to any modifications or amendments to this Scheme, including pursuant to the orders of the High Court and/or any other authorities as they may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. Each of the Demerged Company and the Resulting Company (acting through their Board of Directors, Committee thereof or any director authorised by the Board of Directors to this effect) shall be authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the High Court or of any directions given by any other appropriate authorities or for any reason otherwise arising out of this Scheme and/or any matters concerning or connected herewith.

29. EFFECT OF NON-RECEIPT OF APPROVALS

- 29.1 In case the Scheme is not approved by the High Court or any of the approvals or conditions enumerated in the Scheme have not been obtained or complied with, or for any other reason, if this Scheme cannot be implemented, then the board of directors of the Demerged Company and the Resulting Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear their respective costs, charges and expenses in connection with this Scheme.

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

COSTS, CHARGES AND EXPENSES

- 30.1 Save and except as provided in Clause 29, all costs, charges, expenses, taxes including duties, levies in connection with the Scheme and its implementation thereof, shall be borne by the Resulting Company.

SCHEDULE 1

Details of investments held by the Demerged Company in unlisted companies as on 31st December, 2009

Sr. No.	Nature of Investments	Amount in Rupees
1	3,51,000 equity shares of Rs. 10/- each fully paid-up of Mega One Stop Farm Services Limited	35,10,000
2	3,37,500 equity shares of Rs. 10/- each fully paid-up of Mriyalguda Farm Solution Limited	33,75,000
3	2,73,420 equity Shares of Rs. 10/- each fully paid-up of Kota Farm Services Limited	27,34,200
4	1,000 equity shares of Rs. 100/- each fully paid-up of Hadoti Krishi Vihar Private Limited	1,00,000
5	30,000 equity shares of Rs. 10/- each fully paid-up of Harsolia Agri Sales and Services Private Limited	3,00,000
6	200 equity shares of Rs. 100/- each fully paid-up of Yadgiri Farm Solutions Private Limited	20,000
7	2,000 equity shares of Rs. 10/- each fully paid-up of Srinivasa Farm Solutions Private Limited	20,000
8	15,180 equity shares of Rs. 10/- each fully paid-up of Farm Vision Agri-Tech Private Limited	1,51,800
9	20,000 equity shares of Rs. 10/- each fully paid-up of Sowbhagya Krishi Vikas Private Limited	2,00,000
10	1,800 equity shares of Rs. 100/- each fully paid-up of Bhuvl Care Private Limited	1,80,000
11	6,000 equity shares of Rs. 10/- each fully paid-up of Richfield Crop Solutions India Private Limited	60,000
12	6,000 equity shares of Rs. 10/- each fully paid-up of Coval Crop Care India Private Limited	60,000
13	8,000 equity shares of Rs. 10/- each fully paid-up of Manjara Agri Tech Private Limited	80,000
	Total	1,07,91,000

SCHEDULE 2

Details of carried forward unabsorbed tax losses & unabsorbed depreciation pertaining to
Demerged Undertaking upto Assessment Year 2009-2010

Rs. in Crores

Assessment Year	Business Loss	Depreciation	Capital Loss	Total Loss (for the year)
2001-02	2.74	0.08		2.82
2002-03	4.34	0.25		4.59
2003-04	4.38	0.33		4.71
2004-05	3.97	0.35		4.32
2005-06	1.57	0.26		1.83
2006-07	1.96	0.27		2.23
2007-08	1.12	0.23		1.35
2008-09	1.87	0.23	0.05	2.15
2009-10	0.23	0.18		0.41
Total	22.19	2.18	0.05	24.41

SCHEDULE 3

Shareholding pattern of the Demerged Company pursuant to reduction of capital as set out in Clause 5 & Clause 19

Sr. No.	Names of shareholders of the Demerged Company	Number of shares held in the Demerged Company prior to reduction of capital pursuant to Clause 6	Number of shares held in the Demerged Company post reduction of capital pursuant to Clause 6	Number of shares held in the Demerged Company post reduction of capital pursuant to Clause 19	Percentage of shareholding
1	Mahindra and Mahindra Limited	2,46,81,430	90,89,448	38,75,983	63.39
2	Mahindra Holdings Limited	76,53,517	28,18,568	12,02,114	19.66
3	International Finance Corporation	65,98,559	24,30,057	10,35,410	16.95
4	Mahindra and Mahindra Limited jointly with Mr. U.Y Phadke	1	1	1	0
5	Mahindra and Mahindra Limited jointly with Mr. Gauram Nagwekar	1	1	1	0
6	Mahindra and Mahindra Limited jointly with Mr. A.G Javde	1	1	1	0
7	Mahindra and Mahindra Limited jointly with Mr. C. Krishnadas	1	1	1	0
8	Mahindra and Mahindra Limited jointly with Mr. M.A. Nazareth	1	1	1	0
9	Mahindra and Mahindra Limited jointly with Ms. Roohi Sagrelia	1	1	1	0
10	Mahindra and Mahindra Limited jointly with Mr. Raghunath Murti	1	1	1	0

SCHEDULE 4

Details of the shares of the Resulting Company to which the Shareholders of the
Demerged Company are entitled to, pursuant to Clause 16.2

Sr. No.	Names of shareholders of the Demerged Company	Number of shares held in the Resulting Company post demerger
1	Mahindra and Mahindra Limited	Nil
2	Mahindra Holdings Limited	Nil
3	International Finance Corporation	34,730

TRUE-COPY

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

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CERTIFIED TRUE COPY
For HEMANT SETHI & CO.

ADVOCATES

Form of minutes

(A) The present issued, subscribed and paid up equity share capital of Mahindra Shubhlabh Services Limited is divided into 3,89,33,513 equity shares of face value of Rs.10 each, aggregating to Rs.38,93,35,130, which shall henceforth be reduced to 61,14,514 equity shares of face value of Rs.10 each aggregating to Rs.6,11,45,140 by cancelling 3,28,18,999 equity shares of face value of Rs.10 each aggregating to Rs. 32,81,89,990.

(B) The entire securities premium account of Mahindra Shubhlabh Services Limited as on 31st December, 2009 aggregating to Rs.5,05,29,941 shall stand reduced to NIL.



TRUE-COPY
Hemant Sethi
Mrs. K. M. RANE
 COMPANY REGISTRAR
 HIGH COURT (O.S.)
 BOMBAY

CERTIFIED TRUE COPY
For HEMANT SETHI & CO.
Hemant Sethi
ADVOCATES

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 708 OF 2010
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 623 OF
2010

In the matter of the Companies Act, 1956 (1 of
1956);

AND

In the matter of sections 391 to 394 read with
sections 78, 100 to 104 of the Companies Act,
1956;

AND

In the matter of Scheme of Arrangement
between Mahindra Shubhlabh Services Limited
("Demerged Company") and Mahindra and
Mahindra Limited ("Resulting Company"),
their respective Shareholders.

Mahindra and Mahindra Limited

.....Petitioner



AUTHENTICATED COPY OF ORDER DATED
25TH MARCH 2011 AND THE SCHEME
ANNEXED TO THE PETITION

HEMANT SETHI & CO
ADVOCATES FOR PETITIONER

28-3-2011
30-3-2011
11-04-2011
13-04-2011

HIGH COURT, BOMBAY

0244885

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO.141 OF 2012

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.4 OF 2012

Mahindra Automobile Distributor
Private LimitedPetitioner/Demerged Company

AND

COMPANY SCHEME PETITION NO.142 OF 2012

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.5 OF 2012

Mahindra and Mahindra Limited ...Petitioner/Resulting Company

In the matter of the Companies Act,
1956 (1 of 1956);

AND

In the matter of Sections 391 to 394
read with Section 78, 100 to 104 of
the Companies Act 1956;

AND

In the matter of the Scheme of
Arrangement

BETWEEN

Mahindra Automobile Distributor
Private Limited ("Demerged
Company" or the "Petitioner
Company")

AND

Mahindra and Mahindra Limited
("Resulting Company")

AND

their respective Shareholders and
Creditors

Mr. Hemant Sethi i/b M/s. Hemant Sethi & Co., Advocates for the
Petitioners in both Petitions.



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HIGH COURT, BOMBAY
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0244884

Mr. C. J. Joy and Mr. G Hariharan, i/b Dr. T. C. Kaushik for Regional Director in both the Petitions.

CORAM: S. J. KATHAWALLA, J.

DATE: 30th MARCH, 2012

PC:

1. Heard learned counsels for the parties.
2. The sanction of the Court is sought under Sections 391 to 394 read with Sections 78, 100 to 104 of the Companies Act, 1956, to a Composite Scheme of Arrangement between Mahindra Automobile Distributor Private Limited, the Demerged Company and Mahindra and Mahindra Limited, the Resulting Company and their Respective Shareholders and Creditors.



Counsel appearing on behalf of the Petitioners has stated that the Petitioners have complied with all requirements as per directions of this Court and they have filed necessary Affidavits of compliance in the Court. Moreover, Petitioner Companies through their Counsel undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the Rules made there under. The said undertaking is accepted.

4. The Regional Director has filed an Affidavit stating therein that save and except as stated in paragraphs 6(a), 6(b) and 6(c) of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6(a) to 6(c) of the Affidavit, it is stated that:

"(a) The Registrar of Companies, Mumbai had called for information/explanation by invoking powers under section 234 of the Companies Act 1956 with respect to Resulting Company on matter relating to the financial

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HIGH COURT, BOMBAY

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year 2009, 2010 and 2011 and the same is under process for appropriate action.

(b) the Registrar of Companies, Mumbai has received complaint from Shri Navin Pandya Ex-employee of the Resulting Company relating to his removal from service with the mala fide intention, on which action is under process by taking up the matter with the company.

(c) In clause 18.2 of the Scheme, it is stated that the surplus/deficit after recording the entries contained in clause 18.1.1. and 18.1.2. Shall be adjusted in the balance in the 'General Reserve Account. In this connection it is submitted that the reserve arising out of the scheme shall be styled as "Capital Reserve" instead of General Reserve" by the Resulting Company."



5. As far as first objection in paragraph 6(a) of the Affidavit of the Regional Director is concerned, the Petitioner/ Resulting Company through its counsel states that in response to the letter dated 11th July 2011 of the Registrar of Companies, Ministry of Corporate Affairs, the Petitioner / Resulting Company has filed the information sought by the Registrar of Companies vide their reply dated 30th August 2011. Further to the above reply, there has been no other communication on the issue. In the event of any action being taken, the Petitioner / Resulting Company will deal with the same in accordance with the law.
6. So far as the second objection in paragraph 6(b) of the Affidavit of the Regional Director is concerned, the Petitioner/Resulting Company through its Counsel states that Shri Navin Pandya is also a shareholder of the Resulting Company holding 332 (Three

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HIGH COURT, BOMBAY

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Hundred Thirty Two Only) equity shares of the Resulting Company. Shri Navin Pandya had attended the meeting of Equity Shareholders held on 7th February, 2012 wherein he did not cast his vote.

7. As far as the objection in paragraph 6(c) of the Affidavit of the Regional Director is concerned, Petitioner/Resulting Company undertakes that reserve arising, if any, out of the Scheme shall be styled as "Capital Reserve". The said undertaking is accepted.
8. 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. None of the parties concerned have come forward to oppose the Scheme.
9. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No.141 of 2012 filed by the Petitioner/Demerged Company is made absolute in terms of prayer clauses (a) to (c). The Company Scheme Petition No. 142 of 2012 filed by the Resulting Company is made absolute in terms of prayer clause (a).
10. The Petitioner Companies to lodge a copy of this order and the Scheme, duly authenticated by the Company Registrar, High Court, Bombay, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the Order.
11. Petitioners are directed to file a copy of this order alongwith a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form 21, in addition to physical copy within 30 days from the date of issuance of the order by the Registry.

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HIGH COURT, BOMBAY

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12. The Petitioners in both the Company Scheme Petitions to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai. Costs to be paid within four weeks from today.
13. Filing and issuance of the drawn up order is dispensed with.
14. All concerned authorities to act on a copy of this order along with the Scheme duly authenticated by the Company Registrar, High Court, Bombay.

(S. J. KATHAWALLA, J.)

TRUE-COPY
[Signature]
18/06/2012
Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

TRUE COPY
[Signature]
2.4.2012
Section Officer
High Court, Appellate Side
Bombay

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SCHEME OF ARRANGEMENT
BETWEEN
MAHINDRA AUTOMOBILE DISTRIBUTOR PRIVATE LIMITED
AND
MAHINDRA AND MAHINDRA LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 78 AND 100 TO 104 OF THE COMPANIES ACT, 1956

1. INTRODUCTION

1.1. Mahindra Automobile Distributor Private Limited (hereinafter referred to as "Demerged Company"), a Company incorporated under the Companies Act, 1956, and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001 is engaged in the business of assembling and selling Automotive vehicles ("Automotive business" or "Demerged Undertaking") and spare parts and accessories ("Spares business").

1.2. Mahindra and Mahindra Limited (hereinafter referred to as "Resulting Company"), a Company incorporated under the Indian Companies Act, VII of 1913 and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001 is *inter alia* engaged in the business of the manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles and three-wheelers. The equity shares of the Resulting Company are listed on the Stock Exchanges (hereinafter defined).

1.3. This Scheme, *inter alia*, proposes to demerge the Automotive business (hereinafter defined in Part I) of the Demerged Company and transfer and vesting thereof into the Resulting Company. The proposed demerger of the Automotive business envisaged in this Scheme would enable the Demerged Company to streamline its operations by being focused on the Spares business so as to enhance its profitability and to rationalise its management, businesses and finances.

Demerged Company was a joint venture between Renault s.a.s., France ("Renault") and Resulting Company. After exit of Renault from the joint venture, the Resulting Company has got complete control over the activities of the Demerged Company. Renault will continue to supply components and sub-assemblies to the Demerged Company at re-negotiated prices and support the product in India.

Resulting company is already dealing in all segments of automobile industry e.g. passenger vehicle, commercial vehicles, LCV and three-wheelers. Verito brand of vehicles is a perfect suit in the entire product portfolio. The demerger of Automotive business into Resulting Company will provide more flexibility in the manufacturing and supply chain.

Accordingly, the Board of Directors of demerged company and resulting company are of the view that the transfer and vesting of the Automotive business of the Demerged Company with the Resulting Company will enable both the companies to achieve and fulfill their objectives more efficiently and economically and the same is also in the interest of all the stakeholders. The Resulting Company's existing management expertise and quality system will enhance the performance of this business.

1.4. The Scheme is beneficial to the shareholders, creditors, employees and all stakeholders and will enable both the companies to achieve and fulfill their objectives more efficiently and economically. The Scheme is expected to contribute in furthering and fulfilling the objects of both the companies and in the growth and development of their respective businesses. The Scheme has been approved by the Board of Directors of the Demerged Company and the Resulting Company.

1.5. This Scheme accordingly, *inter alia*, provides for (i) re-organisation of capital of the Demerged Company, and (ii) demerger of the Automotive business of the Demerged Company and transfer and vesting thereof into the Resulting Company including consequential or related matters integrally connected therewith.

1.6. The transfer of the Demerged Undertaking shall be on a going concern basis.

2. PARTS OF THE SCHEME

- 2.1. This Scheme of Arrangement is divided into the following parts:
- 2.1.1. PART I deals with the definitions and share capital of the Demerged Company and the Resulting Company;
- 2.1.2. PART II deals with the re-organisation of the share capital and utilisation of securities premium of the Demerged Company and the accounting treatment in connection therewith;
- 2.1.3. PART III deals with the demerger of the Automotive business of the Demerged Company and transfer and vesting thereof into the Resulting Company;
- 2.1.4. PART IV deals with the Remaining Business (defined hereinafter) of the Demerged Company;
- 2.1.5. PART V deals with the consideration for the demerger and accounting treatment for the demerger in the books of the Demerged Company and the Resulting Company consequent to the demerger; and
- 2.1.6. PART VI deals with general terms and conditions applicable to this Scheme.

PART -I

DEFINITIONS AND SHARE CAPITAL

3. DEFINITIONS

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

- 3.1. "Act" means the Companies Act, 1956, including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 3.2. "Appointed Date" means 1st April, 2011.
- 3.3. "Automotive business" or "Demerged Undertaking" means the Demerged Company's entire undertaking, business, activities and operations pertaining to the automotive business. The term Automotive business shall include the following:
- 3.3.1. All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible) wherever situated and of whatever nature, pertaining thereto through which the Demerged Company carries on the business, activities and operations relating to the Automotive business.
- 3.3.2. All present and future liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, current liabilities and provisions, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the business activities and/or operations relating solely to the Automotive business.
- 3.3.3. Without prejudice to the generality of the above, the Automotive business shall also include in particular:
- 3.3.3.1. Plant and machinery, equipments, furniture and fixture, vehicles and any other fixed asset in relation to the Automotive business;
- 3.3.3.2. All current assets, inventory, stock-in-trade, account receivables, loans and advances, prepaid expenses and other assets in relation to the Automotive business;
- 3.3.3.3. Cash and cash equivalents, bank balances and bank accounts relating to the Automotive business including fixed deposits;
- 3.3.3.4. Security deposits, advances, earnest monies, advance lease rentals or other payments made to or received from the lessors or suppliers or service providers in relation to the Automotive business;



3.3.3.5. All agreements, rights, contracts, entitlements, permits, licenses, registrations, insurance policies, approvals, consents, engagements, arrangements, subsidies, concessions, exemptions and all other privileges and benefits of every kind, nature and description whatsoever (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, etc., unutilised deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, etc.) relating to the Automotive business;

3.3.3.6. Investments held by the Demerged Company;

3.3.3.7. All employees of the Demerged Company excluding those who are engaged in relation to the Remaining Business (as defined hereinafter);

3.3.3.8. All records, files, documents, reports, papers, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the Automotive business;

3.3.3.9. All intellectual property rights owned or licensed, records, files, papers, data and documents relating to the Automotive business, Brand name and domain name;

3.3.3.10. All pending litigations or proceedings filed by or against the Demerged Company pertaining to the Automotive business; and

3.3.3.11. All loans and cash credit facilities availed of by the Demerged Company for the purposes of the Automotive business and other liabilities incurred in connection therewith.

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Automotive business or whether it arises out of the activities or operations of the Automotive business shall be decided by mutual agreement between the Demerged Company and the Resulting Company.



3.4. "Effective Date" or "coming into effect of this Scheme" or "upon the Scheme becoming effective" means the last of the dates, if applicable, on which the certified or authenticated copy (ies) of the order(s) sanctioning the Scheme passed by the High Court of Judicature of Bombay or any other appropriate authority, as may be applicable, is/are filed with the Registrar of Companies, Mumbai.

3.5. "Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.

3.6. "High Court" means the High Court of Judicature at Bombay or such other competent authority under the provisions of Sections 391 to 394 read with Sections 100 to 104 of the Act and shall include the National Company Law Tribunal, if applicable.

3.7. "Record Date" means the date to be fixed by the Resulting Company for the purpose of reckoning the names of the equity shareholders (other than the Resulting Company and MHL) of the Demerged Company, who shall be entitled to receive shares of the Resulting Company upon coming into effect of the Scheme.

3.8. "Remaining Business" of the Demerged Company shall mean all undertakings, businesses, activities and operations including assets and liabilities of the Demerged Company other than the Automotive business. It shall specifically include the Spares business.

3.9. "Scheme" means this Scheme of Arrangement between Mahindra Automobile Distributor Private Limited and Mahindra and Mahindra Limited and their respective shareholders and creditors, in its present form and with any modifications and amendments thereto.

3.10. "Stock Exchanges" shall have the meaning ascribed to the term in Clause 5.4.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme set out herein in its present form or with any modifications approved or imposed or directed by the High Court shall be effective from the Appointed Date but shall be operative from the Effective Date.

5. SHARE CAPITAL

5.1. The share capital of the Demerged Company as on 31st March 2011 is as under:

Particulars	Amount (Rs.)
Authorised capital	
40,00,00,000 Equity Shares of Rs 10 each	400,00,00,000
Issued, subscribed and fully paid-up	
37,41,63,200 Equity Shares of Rs 10 each	374,16,32,000

5.2. Subsequent to 31st March 2011, there is no change in the share capital of the demerged company. The equity shares of the Demerged Company are not listed on any stock exchange. The Resulting Company along with Mahindra Holdings Limited ("MHL"), its subsidiary hold 95% of the share capital of the Demerged Company.

5.3. The share capital of the Resulting Company as on 31st March 2011 is as under:

Particulars	Amount (Rs.)
Authorised capital	
1,20,00,00,000 Ordinary (Equity) Shares of Rs.5 each and 25,00,00,000 Unclassified Shares of Rs.100 each	6,25,00,00,000
Issued, subscribed and fully paid-up	
61,39,40,109 Ordinary (Equity) Shares of Rs.5 each fully paid up	3,06,97,00,545
Less : 2,66,92,992 Ordinary (Equity) Shares of Rs.5 each fully paid up issued to ESOP Trust but not allotted to employees	13,34,64,960
Adjusted : Issued and Subscribed Share Capital of 58,72,47,117 Ordinary (Equity) Shares of Rs.5 each fully paid up	2,93,62,35,585

5.4. The equity shares of the Resulting Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited (collectively referred to as the "Stock Exchanges").

PART - II

REORGANISATION OF SECURITIES PREMIUM AND SHARE CAPITAL OF THE DEMERGED COMPANY

6. REORGANISATION OF SECURITIES PREMIUM AND SHARE CAPITAL

6.1. As per the financials of the Demerged Company as on 31st March, 2011, the Demerged Company has accumulated losses to the extent of Rs. 6,82,99,06,598 (Rupees Six Hundred and Eighty Two Crores and Ninety Nine Lakhs Six Thousand Five Hundred and Ninety Eight). It is proposed to write off the accumulated losses amounting to Rs. 4,75,47,13,425 (Rupees Four Hundred Seventy Five Crores Forty Seven Lakhs Thirteen Thousand Four Hundred and Twenty Five) against the securities premium account and the share capital of the Demerged Company.

6.2. Accordingly, upon coming into effect of this Scheme:

6.2.1. The entire securities premium account as on 31st March, 2011 aggregating to Rs. 1,02,30,81,425 (Rupees One Hundred and Two Crores Thirty Lakhs Eighty One Thousand Four Hundred and Twenty Five) of the Demerged Company shall stand reduced to NIL.

6.2.2. The re-organisation of issued, subscribed and paid-up equity share capital of Demerged Company shall be effected, proportionately among the equity shareholders of the Demerged Company, by an amount equal to Rs.3,73,16,32,000 (Rupees Three Hundred Seventy Three Crores Sixteen Lakhs Thirty Two Thousand) against portion of debit balance of Profit & Loss Account as per aforesaid clause 6.1. Accordingly, out of the paid-up and issued share capital of the Demerged Company, 37,31,63,200 (Thirty Seven Crores Thirty One Lakhs Sixty Three Thousand Two Hundred) equity shares of face value of Rs.10 each aggregating to Rs 3,73,16,32,000 (Rupees Three Hundred Seventy Three Crores Sixteen Lakhs Thirty Two Thousand) shall stand cancelled and reduced proportionately from the holdings of all the existing shareholders of the Demerged Company. The fractions, if any, pursuant to the re-organisation of the equity share capital as envisaged above, shall be rounded off to the next higher whole number. Accordingly 27,61,40,768 shares held by the Resulting Company, 7,83,64,272 shares held by MHL and 1,86,58,160 shares held by Infina Finance Pvt Ltd in the Demerged Company shall stand cancelled.

6.3. Consequent upon such re-organisation, as mentioned above, the issued, subscribed and paid-up share capital of Demerged Company will be revised as under:

Issued, subscribed and fully paid-up	Amount (Rs.)
10,00,000 Equity Shares of Rs. 10 each	1,00,00,000

Out of the above 7,40,000 shares will be held by the Resulting Company, 2,10,000 shares will be held by MHL and 50,000 shares will be held by Infina Finance Pvt Ltd.

6.4. The share certificates of the Demerged Company in relation to the equity shares held by its equity shareholders shall, without any further application, act, instrument or deed, be deemed to have been automatically modified pursuant to the re-organisation of share capital contemplated in Clause 6.2.2 above.

6.5. The re-organisation of securities premium and share capital as aforesaid of the Demerged Company shall be effected as an integral part of and in terms of this Scheme and shall constitute sufficient compliance in terms of Sections 100 to 104 of the Act and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. However, the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the re-organisation.

6.6. Accounting treatment in the books of Demerged Company:

With effect from the Appointed Date:

The credit of Rs. 4,75,47,13,425 (Rupees Four Hundred Seventy Five Crores Forty Seven Lakhs Thirteen Thousand Four Hundred Twenty Five) arising on account of the reorganisation of securities premium and share capital of the Demerged Company in terms of Clauses 6.2.1 and 6.2.2 above, shall be adjusted against the debit balance of "Profit and Loss Account" directly in the Balance Sheet of Demerged Company.

6.7. Accounting treatment in the books of Resulting Company:

With effect from the Appointed Date:

Consequent to the re-organisation of the securities premium and share capital of the Demerged Company, as mentioned above, the Resulting Company shall also effect re-organisation of its investment cost proportionate to its cost of holdings and such re-organisation in the investment cost as contemplated above shall be adjusted against the balance lying to the credit of the existing investment fluctuation reserve of the Resulting Company, net of any provision carried against such specific investment.

PART – III

DEMERGED UNDERTAKING

7. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) pursuant to the provisions of Sections 391 to 394 of the Act and Section 2(19AA) of the Income-tax Act, 1961 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern without any further act, deed, matter or thing in the following manner:

7.1. Assets

7.1.1. The whole of the Demerged Undertaking shall without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in the Resulting Company so as to vest in the Resulting Company all rights, title and interest pertaining to the Demerged Undertaking;

7.1.2. All assets, investments, right, title or interest acquired by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act, provided however that no onerous asset shall have been acquired by the Demerged Company in relation to any Demerged Undertaking after the Appointed Date without the prior written consent of the Resulting Company; and

7.1.3. All the movable assets of the Demerged Undertaking and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash in hand, shall be so transferred to the Resulting Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Resulting Company to the end and intent that the property and benefit therein passes to the Resulting Company with effect from the Appointed Date. Such delivery and transfer shall be made on a date mutually agreed upon between the Demerged Company and the Resulting Company. However such date of delivery shall be within 30 (thirty) days from the Effective Date or such other date as may be mutually agreed upon by the Demerged Company and the Resulting Company.

7.2. Contracts

7.2.1. All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favor of, as the case may be, the Resulting Company in which the Demerged Undertaking vests by way of demerger hereunder and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder; and

7.2.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, 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, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of Part III of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

7.3. Liabilities

- 7.3.1. All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Demerged Undertaking shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause;
- 7.3.2. Where any of the loans raised and used, liabilities and obligations incurred, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged 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
- 7.3.3. All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking with prior approval of the Resulting Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet discharge and satisfy the same.



7.4. Licenses and Permissions

Any statutory licenses, permissions or approvals or consents held by the Demerged Company required to carry on operations of the Demerged Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favor of the Resulting Company and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company as if they were originally obtained by the Resulting Company. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed of by the Demerged Company relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.

- 7.5. This Scheme is in compliance with the conditions relating to "Demerger" as specified under Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 such that:

The transfer of the Demerged Undertaking will be on a going concern basis.

If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961, the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961; such modification shall not affect other parts of the Scheme.

8. SECURITY

- 8.1. The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgage and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof to the extent that such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking. It is agreed by and between the Demerged Company and the Resulting Company, that pursuant to the demerger, necessary steps shall be taken in order to effect the change/ modification of charges, if any, in the records of the Registrar of Companies.

- 8.2. It is clarified that unless otherwise determined by the Board of Directors of the Resulting Company, in so far as the assets comprising the Demerged Undertaking are concerned:

the security or charge relating to loans or borrowings of the Demerged Company, in relation to the Demerged Undertaking, shall without any further act or deed continue to relate to the said assets only after the Appointed Date and the said assets shall not relate to or be available as security in relation to any other borrowings of the Demerged Company;

- 8.3. Similarly the security or charge relating to loans or borrowings of the Demerged Company, in relation to the Demerged Undertaking, shall continue to relate to the said assets only after the Appointed Date and shall not relate to or be available as security in relation to any other borrowings of the Resulting Company and vice versa;

- 8.4. The other assets of the Demerged Company shall not relate to or to be available as security in relation to the said borrowings of the demerged company, in relation to the demerged undertaking; and

- 8.5. The Demerged Company may enter into such alternate arrangements with the lenders pursuant to the release of security as per the provisions mentioned herein.

9. TRANSFER AT BOOK VALUES

All the assets, properties and the liabilities of the undertaking being transferred by the Demerged Company shall be transferred at values appearing in its books of accounts (ignoring revaluation) of the Demerged Company, immediately before the demerger on the Appointed Date.

10. EMPLOYEES

- 10.1. On and from the Effective Date, all permanent employees relating to the Demerged Undertaking, as were employed by the Demerged Company, immediately before such date, shall become the employees of the Resulting Company with the benefit of continuity of service and without any break or interruption in service. It is clarified that the employees of the Demerged Undertaking, who become employees of the Resulting Company by virtue of this Scheme, shall continue to be governed by the same terms of employment as were applicable to them immediately before the demerger. The Resulting Company undertakes to abide by any agreement/settlement, if any, entered into by the Demerged Company with any of its respective employees thereof. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Demerged Company shall be taken into account.

- 10.2. It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund created or any other special fund existing for the benefit of the employees of the Demerged Company, in relation to the Demerged Undertaking shall become the funds of the Resulting Company, for all purposes whatsoever in relation to the administration or operation of such fund(s) or in relation to the obligation to make contributions to the said fund(s) in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company, in relation to the Demerged Undertaking in relation to such fund(s) shall become those of the Resulting Company. These funds shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company for the benefit of the employees of the Demerged Undertaking or be transferred to and merged with other similar funds of the Resulting Company. It is clarified that the services of the employees of the Demerged Company, in relation to the Demerged Undertaking shall be treated as having been continuous for the purpose of the said fund(s); and

- 10.3. With effect from the date of filing of this Scheme with the High Court and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees, except with the prior written consent of the Resulting Company.

11. BUSINESS AND PROPERTY IN TRUST

11.1. During the period between the Appointed Date and up to and including the Effective Date:

11.1.1. The Demerged Company shall be deemed to have been carrying on all the business and activities relating to the Demerged Undertaking and shall be deemed to hold and stand possessed of the entire business and undertakings in relation to the Demerged Undertaking for and on account of and in trust, on behalf of the Resulting Company.

11.1.2. All the income or profits accruing or arising to the Demerged Company and all costs, charges, expenses or losses incurred by the Demerged Company, in relation to the Demerged Undertaking shall for all purposes of this demerger be treated as the income, profits, costs, charges, expenses and losses of the Resulting Company, as the case may be.

11.1.3. Any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company; and

11.1.4. The Demerged Company shall carry on the Automotive business with reasonable diligence and business prudence and shall not alter or diversify respective businesses within the Automotive business nor venture into any new businesses (except for Remaining Business), nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of this Scheme by the respective boards of directors of the Demerged Company and the Resulting Company.

11.2. The Demerged Company shall not utilise the profits or income in relation to the Demerged Undertaking for the purpose of declaring or paying any dividend in respect of the period falling on and after the Appointed Date, without the prior written consent of the Resulting Company.

11.3. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities or other appropriate forums as may be required under any applicable law, for such consents, approvals and sanctions which the Resulting Company may require.

12. PENDING PROCEEDINGS

12.1. All legal, administrative and other proceedings, of whatsoever nature pending in any court or before any authority, judicial, quasi judicial or administrative or any adjudicating authority and/or arising after the Appointed Date and relating to the Demerged Undertaking, or its respective properties, assets, debts, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against the Demerged Company; and from the Effective Date, shall be continued and enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company, had the Scheme not been made. On and from the Effective Date, the Resulting Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Demerged Undertaking, in the same manner and to the same extent as would or might have been initiated by the Demerged Company as the case may be, had the Scheme not been made; and

12.2. If any suit, appeal or other proceedings relating to the Demerged Undertaking, of whatever nature by or against the Demerged Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the demerger of the Demerged Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if this Scheme had not been made.



13. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against the Resulting Company, as envisaged under this Scheme, shall not affect any transaction or proceedings already concluded by the Demerged Company, in relation to the Demerged Undertaking on or after the Appointed Date till the Effective Date, to the intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company, in relation to the Demerged Undertaking, as done and executed on behalf of itself.

14. VALIDITY OF EXISTING RESOLUTIONS, ADJUSTMENTS ETC.

All Resolutions passed by the Demerged Company so far as they relate to or to be done or caused to be done in relation to the Demerged Undertaking, shall be deemed to have authorized any Director of the Resulting Company or such other person(s) as authorized by any two Directors of the Resulting Company to do all acts, deeds, things as may be necessary to give effect to these Resolutions.

PART IV

REMAINING BUSINESS

15. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 15.1. *The Remaining Business of the Demerged Company and all other assets, liabilities, incentives, rights and obligations pertaining thereto shall continue to be vested in and managed by the Demerged Company in the manner as provided below.*
- 15.2. *All legal and other proceedings including any insurance claims by or against the Demerged 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 of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.*
- 15.3. *With effect from the Appointed Date:*
 - 15.3.1. *The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;*
 - 15.3.2. *The Demerged Company may enter into such contracts as the Demerged Company may deem necessary in respect of the Remaining Business;*
 - 15.3.3. *All profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Demerged Company;*
 - 15.3.4. *All assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company; and*
 - 15.3.5. *All liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Business shall belong to and continue to remain vested in the Demerged Company.*

PART V

CONSIDERATION AND ACCOUNTING TREATMENT

16. CONSIDERATION

- 16.1. *In consideration of the transfer and vesting of the Demerged Undertaking in accordance with the provisions of this Scheme, the paid-up share capital of the Resulting Company shall be*
-

increased in the manner set out in this Clause.

- 16.2. Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application or deed, for every 3,162 (Three Thousand One Hundred Sixty Two) fully paid-up equity shares of Rs. 10 each of the Demerged Company, issue and allot to each member of the Demerged Company (other than the Resulting Company and MHL) whose name appears in the register of members of the Demerged Company as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, subject to the provisions of Clause 16.3 below, 1 (one) fully paid-up ordinary (equity) share of Rs 5 each, of the Resulting Company. For this purpose the number of shares held by the shareholders/members of Demerged Company before reorganisation of share capital as referred in clause 6.2.1 and 6.2.2 will be considered. For the purposes of the allotment referred to in this Clause, fractional entitlements shall be rounded-off to the next higher whole number.
- 16.3. The ordinary (equity) shares to be issued by the Resulting Company pursuant to Clause 16.2 above shall be issued in dematerialised form, provided that the members of the Demerged Company have an account with a depository participant and provided details thereof and such other confirmations as may be required are furnished by such members of the Demerged Company to the Resulting Company on or before the Record Date.
- 16.4. The ordinary (equity) shares of the Resulting Company to be issued to the members of the Demerged Company pursuant to Clause 16.2 above shall be subject to the memorandum and articles of association of the Resulting Company and shall rank pari passu in all respects, including dividend, with the existing ordinary (equity) shares of the Resulting Company.
- 16.5. The ordinary (equity) shares of the Resulting Company are listed and admitted to trading on the Stock Exchanges. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges with respect to the issue of ordinary (equity) shares under this Scheme. On such formalities being fulfilled, the Stock Exchanges shall list and/or admit such equity shares issued pursuant to this Scheme, for the purpose of trading. The ordinary (equity) shares allotted pursuant to Clause 16.2 shall remain frozen in the depositories system till listing /trading permission is given by the Stock Exchanges, respectively and shall be subject to such lock-in as may be prescribed by the Stock Exchange and/or other Governmental Authorities.
- 16.6. The issue and allotment of ordinary (equity) shares by the Resulting Company, to the shareholders of Demerged Company as provided hereunder is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 81 (1A) and any other applicable provisions of the Act, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and all other relevant Rules, Regulations and Laws for the time being in force were duly complied with.

17. IN THE BOOKS OF THE DEMERGED COMPANY

- 17.1. The assets and the liabilities of the Demerged Company being transferred to the Resulting Company shall be transferred at values appearing in the books of account of the Demerged Company on the Appointed Date;
- 17.2. The debit balance in Profit and Loss account after the re-organisation of capital as set out in Para 6.6 above, shall also be transferred to the Resulting Company; and
- 17.3. The net difference between the liabilities and assets (including the debit balance in profit and loss account) as transferred under clause 17.1 and 17.2 above, shall be recorded in General Reserve Account.

18. IN THE BOOKS OF THE RESULTING COMPANY

- 18.1. Upon the Scheme becoming effective, the Resulting Company shall:
 - 18.1.1. Record the assets and liabilities pertaining to the Demerged Undertaking, at the respective



book values as appearing in the books of the Demerged Company as on the Appointed Date;

- 18.1.2. Credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to clause 16.2 of the Scheme;
- 18.1.3. The debit balance in Profit and Loss account of the Demerged Company, transferred to the Resulting Company, as mentioned in Para 17.2 above, will be adjusted against the balance in the General Reserve account; and
- 18.2. The surplus/deficit arising after recording the entries contained in clause 18.1.1 and 18.1.2 shall be adjusted in the balance in the General Reserve account.

PART VI

GENERAL TERMS & CONDITIONS

19. DISPENSATION FROM ADDITION OF THE WORDS "AND REDUCED"

The proposed reduction of securities premium account and share capital of the Demerged Company as envisaged in the Scheme shall not affect or impair in any manner the rights and interests of any of the creditors of the Demerged Company or the Resulting Company, since the Demerged Company and the Resulting Company shall, post such reduction, continue to be in a position to honor the dues of their respective creditors. Therefore, the Demerged Company seeks liberty of the High Court for dispensation of words "and reduced" to be added as suffix to its name, as contemplated in section 102(2) and 102(3) of the Act.

20. DECLARATION OF DIVIDEND

For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Resulting Company from declaring and paying dividends, whether Interim or final, to its equity shareholders.

21. APPLICATION TO THE HIGH COURT

- 21.1. The Demerged Company and the Resulting Company, shall make applications / petitions to the High Court for sanction of this Scheme, under Sections 391 to 394 read with Sections 78 and 100 to 104 and other applicable provisions of the Act; and
- 21.2. Any dispute arising out of this Scheme shall be subject to the jurisdiction of the High Court

22. CONDITIONALITY OF THE SCHEME

22.1. This Scheme is and shall be conditional upon and subject to:

- 22.1.1. The Scheme being agreed to by the requisite majority of the respective members and / or creditors of the Demerged Company and of the Resulting Company;
- 22.1.2. The Scheme being approved by the Stock Exchanges;
- 22.1.3. The Scheme being approved by the High Court under Sections 391 to 394 read with Sections 78 and 100 to 104 of the Act; and
- 22.1.4. The certified copy of the order of the High Court sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai.

23. MODIFICATION OR AMENDMENTS TO THE SCHEME

Each of the Demerged Company and the Resulting Company (acting through their Board of Directors, Committee thereof or any director or any other person authorised by the Board of Directors, Committee thereof to this effect) may assent to any modifications or amendments to this Scheme, including pursuant to the orders of the High Court and/or any other

authorities as they may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. Each of the Demerged Company and the Resulting Company (acting through their Board of Directors, Committee thereof or any director or any other person authorised by the Board of Directors, Committee thereof to this effect) shall be authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the High Court or of any directions given by any other appropriate authorities or for any reason otherwise arising out of this Scheme and/or any matters concerning or connected herewith.

24. EFFECT OF NON-RECEIPT OF APPROVALS

- 24.1. In case the Scheme is not approved by the High Court or any of the approvals or conditions enumerated in the Scheme have not been obtained or complied with, or for any other reason, if this Scheme cannot be implemented, then the board of directors of the Demerged Company and the Resulting Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and each party shall bear their respective costs, charges and expenses in connection with this Scheme.
- 24.2. If any part of this Scheme hereof is invalid, held illegal by any court of competent jurisdiction, or unenforceable under any present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

25. COSTS, CHARGES AND EXPENSES

Save and except as provided in Clause 24, all costs, charges, expenses, taxes including duties, levies in connection with the Scheme and its implementation thereof, shall be borne by the Resulting Company.



TRUE-COPY
 15/07/2012
Mrs. K. M. RANE
 COMPANY REGISTRAR
 HIGH COURT (O.S.)
 BOMBAY

CERTIFIED TRUE COPY
 HEMANT SETHI & CO.
 CHARTERED ACCOUNTANTS

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 141 OF 2012

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.4 OF 2012

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 read with Section 78, 100 to 104 of the Companies Act 1956;

AND

In the matter of the Scheme of Arrangement
BETWEEN

Mahindra Automobile Distributor Private Limited ("Demerged Company" or the "Petitioner Company")

AND

Mahindra and Mahindra Limited ("Resulting Company")

AND

their respective Shareholders and Creditors



MAHINDRA AUTOMOBILE
DISTRIBUTOR PRIVATE LIMITED, a
Company incorporated under the
Companies Act 1956 and having its
registered office at Gateway Building,
Apollo Bunder, Mumbai - 400 001

)
)
)
)
)
)
).....Petitioner Company

FORM OF MINUTE

The form of the minutes to be registered under section 103(1) of the Companies Act, 1956 is as follows:

"The entire securities premium account as on 31st March 2011 aggregating to Rs. 1,02,30,81,425 (Rupees One Hundred and Two Crores Thirty Lakhs Eighty One Thousand Four Hundred and Twenty Five) of the Demerged Company shall stand reduced to NIL."

"The re-organisation of issued, subscribed and paid-up equity share capital of Demerged Company shall be effected, proportionately among the equity shareholders of the Demerged Company, by an amount equal to Rs.3,73,16,32,000 (Rupees Three Hundred Seventy Three Crores Sixteen Lakhs Thirty Two Thousand) against portion of debit balance of Profit & Loss Account. Accordingly, out of the paid-up and issued share capital of the Demerged Company, 37,31,63,200 (Thirty Seven Crores Thirty One Lakhs Sixty Three Thousand Two Hundred) equity shares of face value of Rs.10 each aggregating to Rs 3,73,16,32,000 (Rupees Three Hundred Seventy Three Crores Sixteen Lakhs Thirty Two

Thousand) shall stand cancelled and reduced proportionately from the holdings of all the existing shareholders of the Demerged Company. The fractions, if any, pursuant to the re-organisation of the equity share capital as envisaged above, shall be rounded off to the next higher whole number. Accordingly, 27,61,40,768 shares held by the Resulting Company, 7,83,64,272 shares held by MHL and 1,86,58,160 shares held by Infina Finance Pvt Ltd in the Demerged Company shall stand cancelled"



Advocates for Petitioner

TRUE-COPY


18/10/2012
Mrs. K. M. RANE
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY



THE HIGH COURT OF JUDICATURE
AT BOMBAY
ORDINARY ORIGINAL CIVIL
JURISDICTION
COMPANY SCHEME PETITION NO
142 OF 2012
CONNECTED WITH
COMPANY SUMMONS FOR
DIRECTION NO. 5 OF 2012

In the matter of the Companies Act, 1956 (1
of 1956);

AND

In the matter of Sections 391 to 394 read
with Sections 78, 100 to 104 of the
Companies Act, 1956;

AND

In the matter of Scheme of Arrangement
between Mahindra Automobile Distributor
Private Limited ("Demerged Company")
and Mahindra & Mahindra Limited
Resulting Company") and their respective
Shareholders and Creditors

Mahindra & Mahindra Limited
Petitioner

AUTHENTICATED COPY OF ORDER
DATED 30TH DAY OF MARCH 2012
THE SCHEME ANNEXED TO THE
PETITION

31/03/2012
17/04/2012

[Signature]
18/4/12
19/4/12

HS

M/S HEMANT SETHI & Co.
Advocates for the Petitioner

HIGH COURT, BOMBAY

0119666

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO.831 OF 2013

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO.776 OF 2013

In the matter of the Companies Act,
1956 (1 of 1956);

AND

In the matter of Sections 391 to 394
read with Section 78, 100 to 104 of
the Companies Act 1956;

AND

In the matter of Arrangement
between Mahindra Trucks and Buses
Limited ("Petitioner Company")/
"Demerged Company")

AND

its Shareholders and Creditors
AND
Mahindra and Mahindra Limited
("Resulting Company")

Mahindra Trucks and Buses Limited

.....Petitioner/Demerged Company

Called for Hearing

Mr. Hemant Sethi i/b M/s. Hemant Sethi & Co., Advocates for the Petitioner.

Mr. D.P Singh, i/b Mr. H.P Chaturvedi for Regional Director for Petitioner

CORAM: G.S PATEL, J.

DATE: 7th MARCH, 2014

PC:

HIGH COURT, BOMBAY

0119665

1. Heard learned counsels for the parties. No objector has come before the court to oppose the Scheme and to controvert any averments made in the Petition.
2. The sanction of the Court is sought under Sections 391 to 394 read with Sections 78, 100 to 104 of the Companies Act, 1956, to the Scheme of Arrangement between Mahindra Trucks and Buses Limited and its Shareholders and Creditors and Mahindra and Mahindra Limited.
3. The learned counsel appearing on behalf of the Petitioner Company submits that by an order passed by this court on 29th November, 2013 in Company Summons for Direction No. 778 of 2013, the filing of separate Company Summons for Direction and Company Scheme Petition in relation to the proposed Scheme by the Transferee Company / Resulting Company, namely Mahindra and Mahindra Limited was dispensed with as Transferee Company is a 100% holding Company of the Transferor Company / Demerged Company and in view of the judgment passed by this Court in Mahaamba Investments Limited versus IDI Limited (2001) 105 Company Cases (pages 16 to 18).
4. The learned Counsel for the Petitioner Company submits that Transferor Company has been carrying on the business pertaining to the Trucks Undertaking (as defined in clause 3.11 of the Scheme of Arrangement) since incorporation in India. The Transferee Company is also engaged in the similar business in relation to automobile industry.
5. The Transferor Company is a wholly owned subsidiary of the Transferee Company. The proposed arrangement is aimed at achieving the following business and commercial objectives, and is expected to result in the following benefits: i) The Transferee Company is already dealing in all segments of automobile industry e.g. passenger vehicles, commercial vehicles and three wheelers. In addition, it is also doing contract manufacturing of LCVs for Mahindra

HIGH COURT, BOMBAY

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Trucks and Buses Limited. M&HCVs and LCVs would be a perfect suit to the existing product portfolio of the Transferee Company. The demerger of the Trucks Undertaking would provide more flexibility in terms of designing, developing, distribution etc of these vehicles. (ii) The demerger of the Trucks Undertaking is in the interest of all the stakeholders as it would provide focused management orientation due to individual specialisation and leadership vision. The Transferee Company's existing management expertise and distribution capability would enhance the performance of these businesses. (iii) The Scheme will enable both the companies to achieve and fulfil their objectives more efficiently and economically and the same is also in the interest of all the stakeholders. (iv) The Scheme is beneficial to the shareholders, creditors, employees and all stakeholders and will enable both the companies to achieve and fulfill their objectives more efficiently and economically. The Scheme is expected to contribute in furthering and fulfilling the objects of both the companies and in the growth and development of their respective businesses.

6. The Petitioner Company approve the said Scheme by passing the Board Resolution in its Board meeting and which is annexed to the Company Scheme Petition.
7. The learned counsel for the Petitioners state that Petitioner Companies have complied with all directions passed in Company Summons for Directions and that the Scheme has been filed in consonance with the orders passed in respective Company summons for Directions.
8. Counsel appearing on behalf of the Petitioner Company has stated that the Petitioner Company has complied with all requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, Petitioner Company undertakes to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the Rules made there under. The said undertaking is accepted.

HIGH COURT, BOMBAY

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9. The Regional Director has filed an affidavit on 27/02/2014 stating therein that save and except as stated in paragraph 6(a), 6(b) and 6(c) of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph 6(a) to 6(c) of the affidavit, it is stated that:

"(a) Clause 13.1 of the Scheme provides for amendment of object clause of Memorandum of Association of Resulting Company. In this connection, the Transferee Company may be directed to comply with provisions of section 40 read with section 18 of the Act and to file amended copy of Memorandum of Association along with Form No.21 with the Registrar of Companies'.

(b) Clause 25 of the scheme provides for modification or amendments to the scheme where in the Board of Directors of the Petitioner Company have been authorized to make any amendments to the scheme, if necessary after the scheme is approved by the Hon'ble High Court. Such liberty shall not be exercised by the board of directors without obtaining further approval from the Hon'ble High Court. The petitioner company shall be directed to undertake to this effect.

(c) It is further submitted that, in addition to accounting treatment given in this scheme both Demerged Company/Resulting Company shall pass such accounting entries as may be necessary in connection with the scheme to comply with any other accounting treatment."

10. As far as first objection in paragraph 6(a) of the Affidavit of the Regional Director is concerned, the Resulting Company undertakes to comply with provisions of section 40 read with section 18 of the Act and to file amended copy of Memorandum of Association along with Form No.21 with the Registrar of Companies.
11. So far as the second objection in paragraph 6 (b) of the Affidavit of the Regional Director is concerned, Counsel on behalf of the

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Transferee Company clarifies that any modification to the scheme proposed after sanctioning of the Scheme, the same shall be subject to approval by this Court.

12. So far as the third objection in paragraph 6 (c) of the Affidavit of the Regional Director is concerned, the Demerged and the Resulting Company undertakes that in addition to accounting treatment given in this scheme both Demerged Company/Resulting Company will pass such accounting entries as may be necessary in connection with the scheme to comply with any other accounting treatment.
13. The Counsel for the Regional Director on instructions of Mr. M Chandanamuthu, Joint Director in the office of Regional Director stated that they are satisfied with the undertaking given by the Demerged and Resulting Companies in paragraph 10 to 12. The said undertaking given by the Petitioner Company i.e. Transferor Company is accepted.
14. 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. None of the parties concerned have come forward to oppose the Scheme.
15. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition Nos. 831 of 2013 filed by the Petitioner/Demerged Company is made absolute in terms of prayer clauses (a) and (b).
16. The Petitioner Company to lodge a copy of this order and the Scheme, duly authenticated by the Company Registrar, High Court, Bombay with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of the Order.
17. Petitioner Company is directed to file a copy of this order along with a copy of the Scheme of Arrangement with the concerned Registrar of Companies, electronically, along with E-Form 21, in addition to,

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- physical copy within 30 days from the date of issuance of the order by the Registry.
18. The Petitioner Company in the Company Scheme Petition to pay cost of Rs.10,000/- to the Regional Director, Western Region, Mumbai. Costs to be paid within four weeks from the date of the Order.
 19. Filing and issuance of the drawn up order is dispensed with.
 20. All concerned authorities to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court, Bombay.

TRUE-COPY

[Signature]
Mrs. K. M. HANE
 COMPANY REGISTRAR
 HIGH COURT (O.S.)
 BOMBAY

(G. S Patel, J.)

TRUE COPY

[Signature]
 14.3.2014
 Section Officer
 High Court, Appellate Side
 Bombay

SCHEME OF ARRANGEMENT
BETWEEN
MAHINDRA TRUCKS AND BUSES LIMITED
AND
ITS SHAREHOLDERS AND CREDITORS
AND
MAHINDRA AND MAHINDRA LIMITED

UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 78 AND 100 TO 104 OF THE COMPANIES ACT, 1956

1. INTRODUCTION

- 1.1. Mahindra Trucks and Buses Limited (hereinafter referred to as "Demerged Company" or "MTBL"), a Company incorporated under the Companies Act, 1956, and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001, Maharashtra, India is engaged in the businesses of designing, developing, marketing and distribution of Light Commercial Vehicles ("LCVs") and Medium and Heavy Commercial Vehicles ("M&HCVs") which include, but are not limited to, a) vehicles such as trucks, buses, tippers and tractors and b) license fees & marketing service charges for lubricants ("Truck Business" or "Trucks Undertaking") and trading in spare parts and accessories ("MTBL Spares Business").
- 1.2. Mahindra and Mahindra Limited (hereinafter referred to as "Resulting Company" or "M&M"), a Company incorporated under the Indian Companies Act, VII of 1913 and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001 is, *inter alia*, engaged in the business of the manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles and three-wheelers. The equity shares of the Resulting Company are listed on the Stock Exchanges (hereinafter defined).
- 1.3. MTBL, a wholly owned subsidiary of M&M (formerly known as Mahindra International Limited) ("MIL") was incorporated in the year 1994 by the name of Mahindra International Limited. A joint venture agreement between M&M and International Truck and Engine Corporation (a wholly owned affiliate of Navistar International Corporation) ("Navistar") was executed in the year 2005. The Joint Venture was formed with a 51:49 shareholding between M&M and Navistar and the name of Mahindra International Limited was subsequently changed to Mahindra Navistar Automotives Limited with effect from 6th June, 2008. The Joint Venture had been formed, *inter alia*, for manufacture and distribution of commercial vehicles in India.

Navistar entirely exited from the Joint Venture in February, 2013. Thereafter Mahindra Navistar Automotives Limited was renamed as Mahindra Trucks and Buses Limited with effect from, 4th June, 2013. M&M currently holds 100% stake in MTBL.

This Scheme, *inter alia*, proposes to demerge the Trucks Undertaking (hereinafter defined in Part I) of the Demerged Company and transfer and vesting thereof into the Resulting Company. The proposed demerger of the Trucks Undertaking envisaged in this Scheme would enable the Demerged Company to streamline its operations by being focused on the spares business so as to enhance its profitability and to rationalise its management, businesses and finances.

M&M is already dealing in all segments of automobile industry e.g. passenger vehicles, commercial vehicles and three wheelers. In addition, M&M is also doing contract manufacturing of LCVs for MTBL. M&HCVs and LCVs would be a perfect suit to the existing product portfolio of M&M. The demerger of the Trucks Undertaking would provide more flexibility in terms of designing, developing, distribution etc of these vehicles.

The demerger of the Trucks Undertaking is in the interest of all the stakeholders as it would provide focused management orientation due to individual specialisation and leadership vision. M&M's existing management expertise and distribution capability would enhance the performance of these businesses.

Accordingly, the Board of Directors of the Demerged Company and the Resulting company are of the view that the transfer and vesting of the Trucks Undertaking (hereinafter defined in Part I) of the Demerged Company with the Resulting Company will enable both the companies to achieve and fulfill their objectives more efficiently and economically and the same is also in

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the interest of all the stakeholders.

- 1.4. The Scheme is beneficial to the shareholders, creditors, employees and all stakeholders and will enable both the companies to achieve and fulfill their objectives more efficiently and economically. The Scheme is expected to contribute in furthering and fulfilling the objects of both the companies and in the growth and development of their respective businesses. In any case, the entire equity shareholding of the Demerged Company is held by the Resulting Company and therefore as an internal group restructuring, it does not adversely affect the stakeholders and creditors of the Resulting Company and the Demerged Company.
- 1.5. The Scheme has been approved by the Board of Directors of the Demerged Company and the Resulting Company
- 1.6. The Scheme accordingly, inter-alia, provides for (i) re-organisation of securities premium and share capital of the Demerged Company, and (ii) demerger of the Trucks Undertaking of the Demerged Company and transfer and vesting thereof into the Resulting Company including consequential or related matters integrally connected therewith.
- 1.7. The transfer of the Demerged Undertaking shall be on a going concern basis.

2. PARTS OF THE SCHEME

- 2.1. This Scheme of Arrangement is divided into the following parts:
 - 2.1.1. PART I deals with the definitions and share capital of the Demerged Company (*defined hereinafter*) and the Resulting Company;
 - 2.1.2. PART II deals with the re-organisation of securities premium and share capital of the Demerged Company and the corresponding accounting treatment in connection therewith;
 - 2.1.3. PART III deals with the demerger of the Trucks Undertaking of the Demerged Company and transfer and vesting thereof into the Resulting Company;
 - 2.1.4. PART IV deals with the Remaining Business (*defined hereinafter*) of the Demerged Company (*defined hereinafter*);
 - 2.1.5. PART V deals with general terms and conditions applicable to this Scheme.



PART – I

DEFINITIONS AND SHARE CAPITAL

3. DEFINITIONS

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

- 3.1. "Act" means the Companies Act, 1956, including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 3.2. "Appointed Date" means 1st April, 2013.
- 3.3. "Demerged Company" or "MTBL" means Mahindra Trucks and Buses Limited, a Company incorporated under the Companies Act, 1956, and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400001, Maharashtra, India.
- 3.4. "Effective Date" or "coming into effect of this Scheme" or "upon the Scheme becoming effective" means the last of the dates, if applicable, on which the certified or authenticated copy(ies) of the order(s) sanctioning the Scheme passed by the High Court of Judicature at Bombay or any other appropriate authority, as may be applicable, is/are filed with the Registrar of Companies, Mumbai.
- 3.5. "Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory Of India.

- 3.6. "High Court" means the High Court of Judicature at Bombay or such other competent authority under the provisions of Sections 391 to 394 read with Sections 78 and 100 to 104 of the Act and shall include the National Company Law Tribunal or any other similar judicial body, if applicable.
- 3.7. "Remaining Business" or "Remaining Business of MTBL" shall mean all undertakings, businesses, activities and operations including assets and liabilities of MTBL other than the Trucks Undertaking. It shall specifically include the MTBL Spares Business.
- 3.8. "Resulting Company" or "M&M" means Mahindra and Mahindra Limited a Company incorporated under the Indian Companies Act, VII of 1913 and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001.
- 3.9. "Scheme" means this Scheme of Arrangement between Mahindra Trucks and Buses Limited, its Shareholders and Creditors and Mahindra and Mahindra Limited, in its present form and / or with any modifications and amendments thereto made under Clause 25 of this scheme as approved or directed by the High Court of Judicature at Bombay or any other appropriate authority.
- 3.10. "Stock Exchanges" shall have the meaning ascribed to the term in Clause 5.2.
- 3.11. "Trucks Undertaking" or "Demerged Undertaking" means MTBL's entire undertaking, business, activities and operations pertaining to the Trucks Undertaking. The term Trucks Undertaking shall include the following:
- 3.11.1. All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible) wherever situated and of whatever nature, pertaining thereto through which MTBL carries on the business, activities and operations relating to the Trucks Business.
- 3.11.2. All present and future liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, current liabilities and provisions, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the business activities and/or operations relating solely to the Trucks Business.
- 3.11.3. Without prejudice to the generality of the above, the Trucks Business shall also include in particular:
- 3.11.3.1. Plant and machinery, equipments, furniture and fixture, vehicles and any other fixed asset in relation to the Trucks business;
- 3.11.3.2. All current assets, inventory, stock-in-trade, account receivables, loans and advances, prepaid expenses and other assets in relation to the Trucks Business;
- 3.11.3.3. Cash and cash equivalents, bank balances and bank accounts relating to the Trucks Business including fixed deposits;
- 3.11.3.4. Security deposits, advances, earnest monies, advance lease rentals or other payments made to or received from the lessors or suppliers or service providers in relation to the Trucks Business;
- 3.11.3.5. All agreements, rights, contracts, entitlements, permits, licenses, registrations, insurance policies, approvals, consents, engagements, arrangements, subsidies, concessions, exemptions and all other privileges and benefits of every kind, nature and description whatsoever (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, etc., unutilised deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, etc.) relating to the Trucks Business;
- 3.11.3.6. Investments held by MTBL;
- 3.11.3.7. All employees of MTBL excluding those who are engaged in relation to the Remaining Business;



- 3.11.3.8. All records, files, documents, reports, papers, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the Trucks Business;
- 3.11.3.9. All intellectual property rights owned or licensed, records, files, papers, data and documents in the name of MTBL and in relation to the Trucks Business, Brand name and domain name;
- 3.11.3.10. All pending litigations or proceedings filed by or against the Demerged Company pertaining to the Trucks Business; and
- 3.11.3.11. All loans and cash credit facilities availed of by the Demerged Company for the purposes of the Trucks Business and other liabilities incurred in connection therewith.

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Trucks Business or whether it arises out of the activities or operations of the Trucks Business shall be decided by mutual agreement between MTBL and the Resulting Company.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.



4. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 25 duly approved or imposed or directed by the High Court shall be effective from the Appointed Date but shall be operative from the Effective Date.

5. SHARE CAPITAL

- 5.1. The share capital of MTBL as on 31st March 2013 is as under:

Particulars	Amount (Rs.)
Authorised capital	
1,50,00,00,000 Equity Shares of Rs 10 each	15,00,00,00,000
Issued, subscribed and fully paid-up	
1,14,79,25,600 Equity Shares of Rs 10 each	11,47,92,56,000

Subsequent to 31st March, 2013, there is no change in the capital structure of MTBL. The equity shares of MTBL are not listed on any stock exchange.

- 5.2. The share capital of the Resulting Company as on 31st March, 2013 is as under:

Particulars	Amount (Rs.)
Authorised capital	
1,20,00,00,000 Ordinary (Equity) Shares of Rs.5 each and 25,00,000 Unclassified Shares of Rs.100 each	6,25,00,00,000
Issued, subscribed and fully paid-up	
61,39,80,756 Ordinary (Equity) Shares of Rs.5 each fully paid-up	3,06,99,03,780
Less : 2,36,57,485 Ordinary (Equity) Shares of Rs.5 each fully paid-up issued to ESOP Trust but not allotted to employees	11,82,87,425

Adjusted : Issued and Subscribed Share Capital of 59,03,23,271 Ordinary (Equity) Shares of Rs.5 each fully paid-up	2,95,16,16,355
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The equity shares of the Resulting Company are listed on the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as the "Stock Exchanges").

PART – II

REORGANISATION OF SECURITIES PREMIUM AND SHARE CAPITAL OF THE DEMERGED COMPANY

6. REORGANISATION OF SECURITIES PREMIUM AND SHARE CAPITAL OF MTBL

- 6.1. It is proposed to write off the aggregate of the balance in Profit and Loss Account as on 31st March, 2013 and the excess of assets over liabilities as provided under clause 9.1 ("MTBL Aggregate Book Losses"), against the securities premium account and the share capital of MTBL.
- 6.2. Accordingly, upon coming into effect of this Scheme, the MTBL Aggregate Book Losses shall be adjusted:
- 6.2.1. Against the securities premium account as on 31st March, 2013 aggregating to Rs. 4916.73 lakhs; and
- 6.2.2. Balance against the reorganisation of issued, subscribed and paid-up equity share capital of MTBL by reducing face value and paid up value of equity share capital of Rs 10 each to Re 0.20.
- 6.3. The reorganisation of issued, subscribed and paid-up equity share capital of MTBL shall be effected by an amount of Rs 11,249,670,880 (Rupees One Thousand One Twenty Four Crores Ninety Six Lakhs Seventy Thousand Eight Hundred Eighty Only).
- 6.4. Consequent upon the re-organisation, as mentioned above, the MTBL Aggregate Book Losses shall be reduced to NIL and the issued, subscribed and paid-up share capital of MTBL will be revised as under:

Issued, subscribed and fully paid-up	Amount (Rs.)
1,147,925,600 Equity Shares of Rs.0.20 each	229,585,120

- 6.5. The share certificates of MTBL in relation to the equity shares held by its equity shareholders shall, without any further application, act, instrument or deed, be deemed to have been automatically modified pursuant to the re-organisation of share capital contemplated in Clause 6.2.2 above.
- 6.6. The re-organisation of securities premium and share capital as aforesaid of MTBL shall be effected as an integral part of and in terms of this Scheme and shall constitute sufficient compliance in terms of Sections 78 and 100 to 104 of the Act and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. However, the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the re-organization.
- 6.7. The accounting effect of the above sub-clauses shall be directly given in the balance sheet of MTBL.
- 6.8. The re-organisation of securities premium and share capital as aforesaid of MTBL as envisaged in the Scheme shall not affect or impair in any manner the rights and interests of any of the creditors of MTBL, since MTBL shall, post such reduction, continue to be in a position to honor the dues of their respective creditors. Therefore, MTBL seeks liberty of the High Court for dispensation of words "and reduced" to be added as suffix to its name, as contemplated in section 102(2) and 102(3) of the Act.

PART – III

DEMERGER OF TRUCKS UNDERTAKING

7. TRANSFER AND VESTING OF THE TRUCKS UNDERTAKING

Upon the coming into effect of this Scheme and and subject to the provisions of this Scheme, with effect from the Appointed Date, the Trucks Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Trucks Undertaking) pursuant to the provisions of Sections 391 to 394 of the Act and Section 2(19AA) of the Income-tax Act, 1961 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern without any further act, deed, matter or thing in the following manner:

7.1. Assets

7.1.1. The whole of the Trucks Undertaking shall without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in the Resulting Company so as to vest in the Resulting Company all rights, title and interest pertaining to the Trucks Undertaking;

7.1.2. All assets, investments, right, title or interest acquired by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Trucks Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act, provided however that no onerous asset shall have been acquired by the Demerged Company in relation to any Trucks Undertaking after the Appointed Date without the prior written consent of the Resulting Company; and

7.1.3. All the movable assets of the Trucks Undertaking and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash in hand, shall be so transferred to the Resulting Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Resulting Company to the end and intent that the property and benefit therein passes to the Resulting Company with effect from the Appointed Date. Such delivery and transfer shall be made on a date mutually agreed upon between the Demerged Company and the Resulting Company. However such date of delivery shall be within 30 (thirty) days from the Effective Date or such other date as may be mutually agreed upon by the Demerged Company and the Resulting Company.

7.2. Contracts

7.2.1. All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Trucks Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favor of, as the case may be, the Resulting Company in which the Trucks Undertaking vests by way of demerger hereunder and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder; and

7.2.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Trucks Undertaking occurs by virtue of this Scheme itself, 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, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of Part III of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company in relation to the Trucks Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.



7.3. Liabilities

7.3.1. All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Trucks Undertaking shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause;

7.3.2. Where any of the loans raised and used, liabilities and obligations incurred, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged 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

7.3.3. All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Trucks Undertaking with prior approval of the Resulting Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same.



7.4. Licenses and Permissions

Any statutory licenses, permissions or approvals or consents held by the Demerged Company required to carry on operations of the Trucks Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favor of the Resulting Company and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company as if they were originally obtained by the Resulting Company. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed of by the Demerged Company relating to the Trucks Undertaking, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company

8. CONSIDERATION

The Resulting Company holds the entire equity share capital of the Demerged Company. Accordingly, there would be no issue of shares of the Resulting Company to the shareholders of the Demerged Company pursuant to transfer and vesting of Trucks Undertaking into the Resulting Company.

9. IN THE BOOKS OF MTBL

9.1. The assets and the liabilities of MTBL being transferred to the Resulting Company shall be transferred at values appearing in the books of account of MTBL as on the Appointed Date;

9.2. The excess of assets over liabilities transferred under clause 9.1 above shall be adjusted against Securities Premium Account and Equity Share Capital as per clause 6 above. In case of deficit, the same shall be credited to capital reserve.

10. IN THE BOOKS OF THE RESULTING COMPANY

10.1. Upon the Scheme becoming effective, the Resulting Company shall:

10.1.1. Record the assets and liabilities pertaining to the Trucks Undertaking, at the respective book values as appearing in the books of MTBL as on the Appointed Date;

10.1.2. Consequent to the transfer and vesting of Trucks Undertaking, the Resulting Company shall also effect reorganisation of investment cost proportionate to networth of Trucks Undertaking vis a vis total networth of the Demerged Company.

10.1.3. The deficit arising after recording the entries contained in clause 10.1.1 and adjusting the proportionate reorganisation in the carrying value of investment in MTBL in the books of M&M pursuant to clause 10.1.2 shall be debited to the General Reserve account. In case of surplus, the same shall be credited to the Capital Reserve.

PART – IV

REMAINING BUSINESS

11. REMAINING BUSINESS OF THE DEMERGED COMPANY

11.1. The Remaining Business of the Demerged Company and all other assets, liabilities, incentives, rights and obligations pertaining thereto shall continue to be vested in and managed by the Demerged Company in the manner as provided below.

11.2. All legal and other proceedings including any insurance claims by or against the Demerged 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 of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.

11.3. With effect from the Appointed Date:

11.3.1. The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;

11.3.2. The Demerged Company may enter into such contracts as the Demerged Company may deem necessary in respect of the Remaining Business;

11.3.3. All profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profits, or losses, as the case may be, of the Demerged Company;

11.3.4. All assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company; and

11.3.5. All liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Business shall belong to and continue to remain vested in the Demerged Company.



PART V

GENERAL TERMS & CONDITIONS

12. RECLASSIFICATION OF AUTHORISED SHARE CAPITAL OF THE DEMERGED COMPANY

12.1. Authorised share capital of MTBL

12.1.1. Upon the scheme becoming effective, the existing authorised share capital of Rs.1500,00,00,000 (Rupees One Thousand Five Hundred Crores) consisting of 150,00,00,000 (One Hundred and Fifty Crores) equity shares of Rs.10/- each shall stand reclassified as equity share capital of Rs.1500,00,00,000 (Rupees One Thousand Five Hundred Crores) consisting of 75,00,00,00,000 (Seven Thousand Five Hundred Crores) equity shares of Re.0.20/- each pursuant to Section 16, 31, 94 and other applicable provisions of the Act, as the case may be without any further act, instrument or deed.

12.1.2. Upon the sanction of the Scheme, the Clause V of the Memorandum of Association of MTBL shall be read as:

"The authorised share capital of the Company is Rs.1500,00,00,000 (Rupees One Thousand Five Hundred Crores) divided into 75,00,00,00,000 (Seven Thousand Five Hundred Crores) equity shares of Re.0.20 (Rupee Twenty paise) each.



The Company has power from time to time to consolidate or subdivide or increase or reduce its capital and to issue any of the shares in the capital, original or increased, as ordinary or preferred, with or subject to any preferential, special, deferred or qualified rights, including the right to be converted into equity shares, or any other privileges or conditions as regards payment of dividends, distribution of assets, repayment or reduction of capital, voting or otherwise and generally on such terms as the Company may from time to time by special resolution determine and to vary the regulations of the Company, as far as necessary to give effect to the same, and upon the sub-division of a share to apportion the right to participate in profits in any manner, subject to the provisions of law."

13. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF M&M

13.1. Upon coming into effect of the Scheme, the following Clause No.(xvii Z) and Clause No.(xvii Z 1) shall be inserted in the Objects Clause of the Memorandum of Association of M&M:

"To carry on the business of exporters & importers of all types of manufactured goods and substances including semi-finished or semi-processed goods to all parts of the world including without prejudice to the generality of the foregoing, all types of vehicles, including motor vehicles, tractors, engines, pumps, electric motors, transformers, switch-gears and electric appliances of all types, machinery of all types, machine tools, agricultural implements, chemicals, synthetic products, rubber tyres, cords, tubes, typewriters, refrigerators, scientific instruments and all and any type of equipment, appliance and product, minerals, raw materials, semi and manufactured products, fabrics made from natural or artificial fibers, garments, foods and beverages".

To engage in the business of designing, developing, manufacturing, producing, assembling, selling, buying, distributing, exporting, importing re-selling, exchanging, altering, improving, assembling, dealing in marketing, procuring, sourcing and acting as buying and selling agents, commission agents, merchants, distributors, traders in and brokers for automotive vehicles including but not limited to trucks, lorries, buses, omni buses, trailers, tractors, motor cars, auto-rickshaws, scooters, motor-scooters, three wheelers motor cycles, cycles, engines, locomotives, turbines, tanks, ships, boats, barges, launches, aeroplanes, airships, seaplanes, balloons and aircraft of every description and also of various parts and components including but not limited to chassis, engines, replacement parts, tools, aggregates, implements, spare parts, accessories, materials of all or any of the above mentioned motor vehicles used for the transport or conveyance of passengers, merchandise and goods of every description whether propelled or used by electricity, steam, oil vapour, gas, petroleum, diesel oil or any other motive or mechanical power, in India or elsewhere and to render all or any services in relation or in connection with any or all of the

aforesaid activities such as but not limited to, supply chain management services, after sales support and services and financing for such automotive vehicles".

- 13.2. It shall be deemed that the members of M&M have resolved and accorded all relevant consents under Section 17 of the Act. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 17 of the Act for the amendments of the Memorandum of Association of M&M as above.
- 13.3. In order to carry on the activities currently being carried on by the Demerged Company in relation to Trucks Undertaking, upon the approval of the Scheme by the members of M&M pursuant to Section 391 of the Act, it shall be deemed that the members of M&M have also resolved and accorded all relevant consents under Section 149 (2A) of the Act or any other provisions of the Act for the commencement of any business or activities currently being carried on by Demerged Company in relation to any of the objects contained in the Memorandum of Association of M&M, to the extent the same may be considered applicable. In particular, M&M would be allowed to commence the new business added as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 149 (2A) of the Act.

14. TAX ASPECTS

This Scheme is in compliance with the conditions relating to "Demerger" as specified under Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 such that:

The transfer of the Trucks Undertaking will be on a going concern basis.

If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961, the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961; such modification shall not affect other parts of the Scheme.



15. SECURITY

- 15.1. The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgage and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof to the extent that such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking. It is agreed by and between the Demerged Company and the Resulting Company, that pursuant to the demerger, necessary steps shall be taken in order to effect the change/ modification of charges, if any, in the records of the Registrar of Companies.
- 15.2. It is clarified that unless otherwise determined by the Board of Directors of the Resulting Company, in so far as the assets comprising the Demerged Undertaking are concerned:
- the security or charge relating to loans or borrowings of the Demerged Company, in relation to the Demerged Undertaking, shall without any further act or deed continue to relate to the said assets only after the Appointed Date and the said assets shall not relate to or be available as security in relation to any other borrowings of the Demerged Company;
- 15.3. Similarly, the security or charge relating to loans or borrowings of the Demerged Company, in relation to the Demerged Undertaking, shall continue to relate to the said assets only after the Appointed Date and shall not relate to or be available as security in relation to any other borrowings of the Resulting Company and vice versa;
- 15.4. The other assets of the Demerged Company shall not relate to or be available as security in relation to the said borrowings of the Demerged Company, in relation to the Demerged Undertaking; and
- 15.5. The Demerged Company may enter into such alternate arrangements with the lenders pursuant to the release of security as per the provisions mentioned herein.

16. TRANSFER AT BOOK VALUES

All the assets, properties and the liabilities of the Demerged Undertaking being transferred by the Demerged Company shall be transferred at values appearing in its books of accounts (ignoring revaluation) of the Demerged Company, immediately before the demerger on the Appointed Date.

17. EMPLOYEES

17.1. On and from the Effective Date, all permanent employees relating to the Demerged Undertaking, as were employed by the Demerged Company, immediately before such date, shall become the employees of the Resulting Company with the benefit of continuity of service and without any break or interruption in service. It is clarified that the employees of the Demerged Undertaking, who become employees of the Resulting Company by virtue of this Scheme, shall continue to be governed by the same terms of employment as were applicable to them immediately before the demerger. The Resulting Company undertakes to abide by any agreement/settlement, if any, entered into by the Demerged Company with any of its respective employees thereof. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, or any other benefits and incentives, if any, such past services with the Demerged Company shall be taken into account.



17.2. It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund created or any other special fund existing for the benefit of the employees of the Demerged Company, in relation to the Demerged Undertaking shall become the funds of the Resulting Company, for all purposes whatsoever in relation to the administration or operation of such fund(s) or in relation to the obligation to make contributions to the said fund(s) in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company, in relation to the Demerged Undertaking in relation to such fund(s) shall become those of the Resulting Company. These funds shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company for the benefit of the employees of the Demerged Undertaking or be transferred to and merged with other similar funds of the Resulting Company. It is clarified that the services of the employees of the Demerged Company, in relation to the Demerged Undertaking shall be treated as having been continuous for the purpose of the said fund(s); and

17.3. With effect from the date of filing of this Scheme with the High Court and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees, except with the prior written consent of the Resulting Company.

18. BUSINESS AND PROPERTY IN TRUST

18.1. During the period between the Appointed Date and up to and including the Effective Date:

18.1.1. The Demerged Company shall be deemed to have been carrying on all the business and activities relating to the Demerged Undertaking and shall be deemed to hold and stand possessed of the entire business and undertakings in relation to the Demerged Undertaking for and on account of and in trust, on behalf of the Resulting Company.

18.1.2. All the income or profits accruing or arising to the Demerged Company and all costs, charges, expenses or losses incurred by the Demerged Company, in relation to the Demerged Undertaking shall for all purposes of this demerger be treated as the income, profits, costs, charges, expenses and losses of the Resulting Company, as the case may be.

18.1.3. Any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company; and

18.1.4. The Demerged Company shall carry on the business pertaining to the Trucks Undertaking with reasonable diligence and business prudence and shall not alter or diversify business within

the Trucks Undertaking nor venture into any new business (except for Remaining Business), nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior written consent of the Resulting Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of this Scheme by the respective boards of directors of the Demerged Company and the Resulting Company.

- 18.2. The Demerged Company shall not utilise the profits or income in relation to the Demerged Undertaking for the purpose of declaring or paying any dividend in respect of the period falling on and after the Appointed Date, without the prior written consent of the Resulting Company.
- 18.3. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities or other appropriate forums as may be required under any applicable law, for such consents, approvals and sanctions which the Resulting Company may require.

19. PENDING PROCEEDINGS

- 19.1. All legal, administrative and other proceedings, of whatsoever nature pending in any court or before any authority, judicial, quasi judicial or administrative or any adjudicating authority and/or arising after the Appointed Date and relating to the Demerged Undertaking, or its respective properties, assets, debts, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against the Demerged Company; and from the Effective Date, shall be continued and enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company, had the Scheme not been made. On and from the Effective Date, the Resulting Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Demerged Undertaking, in the same manner and to the same extent as would or might have been initiated by the Demerged Company as the case may be, had the Scheme not been made; and
- 19.2. If any suit, appeal or other proceedings relating to the Demerged Undertaking, of whatever nature by or against the Demerged Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the demerger of the Demerged Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if this Scheme had not been made.

20. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against the Resulting Company, as envisaged under this Scheme, shall not affect any transaction or proceedings already concluded by the Demerged Company, in relation to the Demerged Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company, in relation to the Demerged Undertaking, as done and executed on behalf of itself.

21. VALIDITY OF EXISTING RESOLUTIONS, ADJUSTMENTS ETC.

All Resolutions passed by the Demerged Company so far as they relate to or to be done or caused to be done in relation to the Demerged Undertaking, shall be deemed to have authorized any Director of the Resulting Company or such other person(s) as authorized by any two Directors of the Resulting Company to do all acts, deeds, things as may be necessary to give effect to these Resolutions.

22. DECLARATION OF DIVIDEND

For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Resulting Company from declaring and paying dividends, whether interim or final, to its equity shareholders.



23. APPLICATION TO THE HIGH COURT

- 23.1. The Demerged Company shall and the Resulting Company, if required, shall make applications/ petitions to the High Court for sanction of this Scheme, under Sections 391 to 394 read with Sections 78 and 100 to 104 and other applicable provisions of the Act; and
- 23.2. Any dispute arising out of this Scheme shall be subject to the jurisdiction of the High Court.

24. CONDITIONALITY OF THE SCHEME

- 24.1. This Scheme is and shall be conditional upon and subject to:

- 24.1.1. The Scheme being agreed to by the requisite majority of the respective members and / or creditors of the Demerged Company and if required, of the Resulting Company, as may be directed by the High Court;
- 24.1.2. The Scheme being approved by the High Court under Sections 391 to 394 read with Sections 78 and 100 to 104 of the Act; and
- 24.1.3. The authenticated/ certified copy of the order of the High Court sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai.

25. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Demerged Company and the Resulting Company (acting through their Board of Directors, Committee thereof or any director or any other person authorised by the Board of Directors, Committee thereof to this effect) may assent to any modifications or amendments to this Scheme or to any conditions or limitations that the High Court may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the respective Demerged Company and Resulting Company, including pursuant to the orders of the High Court and/or any other authorities as they may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. The Demerged Company and the Resulting Company (acting through their Board of Directors, Committee thereof or any director or any other person authorised by the Board of Directors, Committee thereof to this effect) shall be authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the High Court or of any directions given by any other appropriate authorities or for any reason otherwise arising out of this Scheme and/or any matters concerning or connected herewith.

26. EFFECT OF NON-RECEIPT OF APPROVALS

- 26.1. In case the Scheme is not approved by the High Court or any of the approvals or conditions enumerated in the Scheme have not been obtained or complied with, or for any other reason, if this Scheme cannot be implemented, then the board of directors of the Demerged Company and the Resulting Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred by either the Resulting Company or the Demerged Company and each party shall bear their respective costs, charges and expenses in connection with this Scheme unless otherwise mutually agreed upon.
- 26.2. If any part of this Scheme hereof is invalid, held illegal by any court of competent jurisdiction, or unenforceable under any present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

27. COSTS, CHARGES AND EXPENSES

Save and except as provided otherwise, all costs, charges, expenses, taxes including duties, levies in connection with the Scheme and its implementation thereof, and matters incidental thereto, shall be borne by the Resulting Company.



CERTIFIED TRUE COPY
For HEMANT SETHI & CO.
ADVOCATES

TRUE-COPY

Mrs. K. M. HANE
COMPANY REGISTRAR
Page 13 HIGH COURT (O.S.)
BOMBAY

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 831 OF 2013
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION 776 OF 2013

In the matter of the Companies Act, 1956;

AND

In the matter of Sections 391 to 394 read with

Sections 78, 100 to 104 of the Companies

Act, 1956

AND

In the matter of Scheme of Arrangement between
Mahindra Trucks and Buses Limited (Petitioner/
Demerged Company")

AND

its Shareholders and Creditors

AND

Mahindra and Mahindra Limited ("Resulting
Company")

Mahindra Trucks and Buses Limited

.....Petitioner Company

AUTHENTICATED COPY OF ORDER DATED 7TH DAY
OF MARCH 2014 AND THE SCHEME ANNEXED TO
THE PETITION

Applied on 10/3/14
Deposited on 14/3/14
Section Writer [Signature]
Folios [Signature]
Examined by [Signature]
Compared with [Signature]
Ready on 15/03/2014
Certified as 15/03/2014

HS

HEMANT SETHI & CO.

ADVOCATES FOR PETITIONER COMPANY

CSP NO 680 OF 2017

&

CSP NO 683 OF 2017

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

BENCH, at MUMBAI

CSP NO 680 OF 2017

AND

CSP NO 683 OF 2017

MAHINDRA TWO WHEELERS LIMITED ... Demerged Company

AND

MAHINDRA & MAHINDRA LIMITEDResulting Company

In the matter of the Companies Act, 2013,

AND

In the matter of sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013 as amended, including any statutory modification(s) or re-enactment(s) thereof and corresponding provisions of the Companies Act, 1956 to the extent as may be applicable:

AND

In the matter of Scheme of Arrangement between Mahindra Two Wheelers Limited having CIN: U35911MH2008PLC185462 ('Demerged Company') and Mahindra & Mahindra Limited having CIN: L65990MH1945PLC004558 ('Resulting Company') and their respective Shareholders and Creditors

Called for Hearing

Judgment/Order delivered on 18th October, 2017

Coram:

Hon'ble B.S.V. Prakash Kumar, Member (J)

Hon'ble V. Nallanapathy, Member (T)

Mr. Hemant Sethi (for Hemant Sethi & Co., Advocates for the Petitioner Companies)

Mr. Ramchandra Golap, Deputy Director in the office of Regional Director

Per: B.S.V. Prakash Kumar, Member (J)

Order

1. Heard the learned counsel for the Petitioner Companies.
2. The sanction of the Tribunal is sought under Sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013, to the Scheme of Arrangement between Mahindra Two Wheelers Limited ('the Petitioner Demerged Company') and Mahindra & Mahindra Limited ('the Petitioner



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&

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Resulting Company") and their respective Shareholders and Creditors ("Scheme").

3. Learned Counsel for the Petitioner Companies states that the Petitioner Demerged Company is engaged in the businesses of manufacturing and selling of two wheelers ("Two Wheelers Business") and trading in spare parts and accessories ("MTWL Spares Business"). The Petitioner / Transferee Company is inter-alia engaged in the business of manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles three-wheelers and trucks and buses.
4. The demerger of the Two Wheelers Business of the Petitioner Demerged Company and its transfer as a going concern to the Petitioner Resulting Company would *inter alia* have the following benefits:
 - (a) The Petitioner / Resulting Company is present in many segments of the automotive industry e.g. Passenger & Utility Vehicles and Commercial Vehicles including Three Wheelers and Trucks & Buses.
 - (b) The proposed demerger, in line with the strategy of focusing on niche premium Two Wheeler segment, would enable the Two Wheelers Undertaking to benefit from the Petitioner / Resulting Company's Design & Development and Sourcing capabilities.
 - (c) The proposed demerger would also enable the Petitioner / Demerged Company enhance focus on the spares business.
 - (d) The proposed demerger would also enable the Petitioner Demerged Company and the Petitioner Resulting Company achieve and fulfil their objectives more efficiently and in cost effective manner.
5. The Demerged Company and Resulting Company have approved the said Scheme of Arrangement by passing the Board Resolution which are annexed to the respective Company Scheme Petitions filed by the Petitioner Companies.
6. Learned Counsel appearing on behalf of the Petitioner Companies further states that the Petitioner Companies have complied with all requirements as per



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directions of the Hon'ble National Company Law Tribunal, Mumbai bench and has filed necessary affidavits of compliance with the National Company Law Tribunal, Mumbai bench. Moreover, the Petitioner Companies through its Counsel undertakes to comply with all statutory requirements if any, as required under the Companies Act, 1956 / 2013 and the Rules made there under whichever is applicable. The said undertaking given by the Petitioner Companies is accepted.

- 7 The Regional Director ('RD') has filed a Report dated 04th September 2017 stating therein, that the Tribunal may take into consideration the observations made at para IV (1) to (4) mentioned in his report and pass such other order or orders as deemed fit and proper in the facts and circumstances of the case.

In paragraphs IV (1) to (4), of the said Report it is stated that:-

1. *The tax implication if any arising out of the scheme is subject to final decision of Income Tax Authorities. The approval of the scheme by this Hon'ble Tribunal may not deter the Income Tax Authority to scrutinize the tax return filed by the transferee Company after giving effect to the scheme. The decision of the Income Tax Authority is binding on the petitioner Company.*
2. *It is submitted that the Petitioner Companies have submitted the proof of serving notice upon the Income Tax Authorities dated 11.05.2017 for comments. The office of the Directorate also has issued reminder dated 24.08.2017.*
3. *In addition to compliance of AS-14 (IND AS-103) the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.*
4. *Petitioner in clause 12 of the scheme has inter alia mentioned that upon the scheme becoming effective As an integral part of the Scheme and upon effectiveness of the Scheme, an amount of Rs 3450,00,00,000 (Rupees Three Thousand Four Hundred and Fifty Crore only) shall stand transferred from the authorised equity share capital of the Demerged Company to the authorised equity share capital of the Resulting Company and upon transfer of the amount of Rs 3450,00,00,000 (Rupees Three Thousand Four Hundred*



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and Fifty Crore only) from the authorised equity share capital of the Demerged Company to the authorised equity share capital of the Resulting Company, the authorised equity share capital of the Resulting Company shall stand enhanced to Rs 4075,00,00,000 (Rupees Four Thousand and Seventy Five Crore only) divided into 810,00,00,000 (Eight Hundred and Ten Crore) Ordinary (Equity) shares of face value of Rs 5 (Rupees Five) each and 25,00,000 (Twenty Five Lakhs) Unclassified Shares of Rs 100 each, pursuant to Sections 13, 14 and 61 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be, without any further act, instrument or deed by the Resulting Company and without any liability for payment of any additional fees or stamp duty in respect of such increase as the stamp duty and fees has already been paid by the Demerged Company on such authorised equity share capital, the benefit of which stands vested in the Resulting Company pursuant to the Scheme becoming effective on the Effective Date

In this regard, it is submitted that combination of Authorised Capital proportionately in case of demerger is not provided in Companies Act, 2013, unlike the combination in terms of Section 232(3)(i) of Companies Act, 2013 in respect of amalgamation."

8. The Report of Registrar of Companies ('ROC') dated 18.08.2017 has been annexed as Annexure A to RD report. The observations of the ROC are mentioned in point no. 32 of the ROC Report which is as under:

"With reference to para 12.1.1 of the Scheme, Combination of Authorized Capital proportionately in case of demerger is not provided in Companies Act, 2013 unlike the combination in terms of Section 232(3)(i) of Companies Act, 2013 in respect of Amalgamation. May be decided on merits."

9. So far as the observation in paragraph IV (1) & (2) of the RD Report is concerned, the Petitioner Companies through its Counsel undertakes to comply with the applicable provisions of the Income Tax Act and all tax issues arising out of the Scheme will be answered in accordance with law.
10. With reference to the observation set out in paragraph IV (3) of the RD Report, the Petitioner Companies through its Counsel states that the Petitioner Companies undertake that in addition to compliance of AS-14 (IND AS-103), the



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Petitioner Companies shall pass such accounting entries as may be necessary in connection with the Scheme to comply with other applicable accounting standards such as AS-5 (IND AS-8) etc.

11. With reference to the observation set out in paragraph IV (4) of the RD Report and the observation of the Registrar of Companies, Mumbai in point no. 32 of the ROC report, the Petitioner Companies through its Counsel submit that in a Scheme of Arrangement contemplated under Sections 230 to 232 of the Companies Act, as approved by the shareholders, includes doing acts for which the procedure specified in other sections of the Companies Act is also allowed to be undertaken under the concept of "single window clearance" as part of the arrangement in light of various judicial precedents. Hence, reclassification of authorized share capital as envisaged under clause 12 of the Scheme of Arrangement is undertaken as a part of the Scheme of Arrangement. Further, reliance is placed on the decision of Gujarat High Court in the case of I litcore Technologies Pvt Ltd (176 Com Cas 297) (Guj.) where transfer of authorized capital has been sanctioned in the case of demerger. Also, in the present case it may be noted that such combination of Authorized Capital shall not result in any loss of revenue to the exchequer. Hence, in light of the above, combination of Authorized Capital should be allowed in the present case.
12. The observations made by the Regional Director and Registrar of Companies have been explained by the Petitioners in paragraphs 9 to 11 above. The clarifications and undertakings given by the Petitioner Companies are hereby accepted.
13. 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.
14. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 680 of 2017 filed by the Petitioner / Demerged Company is made absolute in terms of prayer clauses (a) and (b) of the said Petition and Company Scheme Petition No. 683 of 2017 filed by the Petitioner / Resulting Company is made absolute in terms of prayer clause (a) of the said Petition.
15. Petitioner / Resulting Company is directed to file a copy of this order along with a copy of Scheme of Arrangement with the concerned Registrar of Companies.



electronically, along with E-Form INC-28 within 30 days from the date of issuance of the order by the Registry.

16. Petitioner / Demerged Company is directed to file a copy of this order and Form of Minutes (annexed as Annexure D to the Company Scheme Petition No 680 of 2017) along with a copy of Scheme of Arrangement with the concerned Registrar of Companies, electronically, along with E-Form INC-28, within 30 days from the date of issuance of the order by the Registry.
17. The Petitioner Companies to lodge certified copy of this order and the Scheme of Arrangement duly certified by the Deputy Director, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the order.
18. It is clarified that for the period between the Appointed Date and Effective Date, the business of the Demerged Company shall be carried on by the Resulting Company in trust and for and on behalf of Resulting Company.
19. The respective Petitioner Companies to pay cost of Rs.25,000/- to the Regional Director, Western Region, Mumbai. Cost to be paid within four weeks from the date of receipt of order.
20. All authorities concerned to act on a certified copy of this order along with Scheme and form of minutes annexed to the the Company Scheme Petition filed by Demerged Company, duly certified by the Deputy Director, National Company Law Tribunal, Mumbai Bench.
21. Any person interested shall be at liberty to apply to the Tribunal in the above matter for any direction that may be necessary.

sd/-

V. Nallasenapathy, Member (T)

sd/-

B.S.V. Prakash Kumar, Member (J)

Date: 18.10.2017



Certified True Copy
 Date of Application 20-10-2017
 Number of Pages 8
 Fee Paid Rs. 30
 Applicant called for collection copy on 24-10-2017
 Copy prepared on 24-10-2017
 Copy Issued on 24-10-2017

Deputy Director
 National Company Law Tribunal, Mumbai Bench

**SCHEME OF ARRANGEMENT
BETWEEN
MAHINDRA TWO WHEELERS LIMITED
AND
MAHINDRA AND MAHINDRA LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 100 TO 104 OF THE COMPANIES ACT, 1956 AND
SECTION 52 OF THE COMPANIES ACT, 2013**

1. INTRODUCTION

- 1.1. Mahindra Two Wheelers Limited (hereinafter referred to as "**Demerged Company**" or "**MTWL**"), a Company incorporated under the Companies Act, 1956, and having its registered office at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018, Maharashtra, India is engaged in the businesses of manufacturing and selling of two wheelers ("**Two Wheelers Business**") and trading in spare parts and accessories ("**MTWL Spares Business**").
- 1.2. Mahindra and Mahindra Limited (hereinafter referred to as "**Resulting Company**" or "**M&M**"), a Company incorporated under the Indian Companies Act, VII of 1913 and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001, Maharashtra, India is, *inter alia*, engaged in the business of manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles three-wheelers and trucks and buses. The equity shares of the Resulting Company are listed on the Stock Exchanges (hereinafter defined).
- 1.3. MTWL is a subsidiary of Mahindra Vehicle Manufacturers Limited ("**MVML**"). MVML, a company incorporated under the Companies Act, 1956 is a wholly owned subsidiary of M&M. MVML, incorporated in the year 2007, having its registered office at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018, Maharashtra, India, is engaged in the business of manufacture of motor vehicles, trailers, semi-trailers and other transport vehicles.
- 1.4. This Scheme, *inter alia*, provides for i) re-organisation of securities premium and share capital of the Demerged Company- and ii) demerger of the Two Wheelers Undertaking (hereinafter defined in Part I) of the Demerged Company and transfer and vesting thereof into the Resulting Company, including consequential or related matters integrally connected therewith.
- 1.5. The proposed demerger of the Two Wheelers Undertaking envisaged in this Scheme ("**the Demerger**") is in line with the Two Wheeler strategy of focusing on premium niche segment.

With M&M being present in many segments of the automotive industry e.g. Passenger & Utility Vehicles and Commercial Vehicles including Three Wheelers, Trucks & Buses, the proposed demerger of Two Wheelers Undertaking of MTWL, envisaged in this Scheme ("**the Demerger**") in line with its strategy of focusing on niche premium Two Wheeler



segment, would enable the Undertaking to benefit from M&M's Design & Development and Sourcing capabilities. The proposed demerger would also enable the Demerged Company to enhance focus on the spares business.

Accordingly, the Board of Directors of the Demerged Company and the Resulting company are of the view that the transfer and vesting of the Two Wheelers Undertaking (hereinafter defined in Part I) of the Demerged Company with the Resulting Company will enable both the companies achieve and fulfil their objectives more efficiently and in cost effective manner, besides being in the interest of minority shareholders, in particular.

- 1.6. The Scheme has been approved by the Board of Directors of the Demerged Company and the Resulting Company.
- 1.7. The transfer of the Demerged Undertaking shall be on a going concern basis.

2. PARTS OF THE SCHEME

- 2.1. This Scheme of Arrangement is divided into the following parts:
 - 2.1.1. PART I deals with the definitions and share capital of the Demerged Company (*defined hereinafter*) and the Resulting Company;
 - 2.1.2. PART II deals with the re-organisation of securities premium and share capital of the Demerged Company and the corresponding accounting treatment in connection therewith
 - 2.1.3. PART III deals with the demerger of the Two Wheelers Undertaking of the Demerged Company and transfer and vesting thereof into the Resulting Company;
 - 2.1.4. PART IV deals with the Remaining Business (*defined hereinafter*) of the Demerged Company (*defined hereinafter*);
 - 2.1.5. PART V deals with the consideration for the demerger and accounting treatment for the demerger in the books of the Demerged Company and the Resulting Company consequent to the demerger; and
 - 2.1.6. PART VI deals with general terms and conditions applicable to this Scheme.

PART – I

DEFINITIONS AND SHARE CAPITAL

3. DEFINITIONS

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

- 3.1. "Act" means the Companies Act, 1956 and/or the Companies Act, 2013 and rules made thereunder, including any statutory modifications, re-enactments or amendments thereof for the time being in force; it being clarified that as on the date of approval of this Scheme by the Board of Directors of the Demerged Company and the Resulting Company, sections 391 to 394 and 100 to 104 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified.



Accordingly, references in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013 such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted.

- 3.1.1. "Appointed Date" means 1st October, 2016 or such other date as may be directed or approved by the High Court.
- 3.2. "Demerged Company" or "MTWL" means Mahindra Two Wheelers Limited, a Company incorporated under the Companies Act, 1956, and having its registered office at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018, Maharashtra, India.
- 3.3. "Effective Date" or "coming into effect of this Scheme" or "upon the Scheme becoming effective" means the last of the dates, if applicable, on which the certified or authenticated copy(ies) of the order(s) sanctioning the Scheme passed by the High Court or any other Appropriate Authority, as may be applicable, is/are filed with the Registrar of Companies, Mumbai.
- 3.4. "Governmental Authority" or "Appropriate Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, Stock Exchanges, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India.
- 3.5. "High Court" means the High Court of Judicature at Bombay or such other competent authority under the provisions of Sections 391 to 394 read with Sections 100 to 104 of the Act. It is hereby clarified that in the event that the provisions of the Companies Act, 2013 pertaining to scheme of arrangement become applicable and effective for the purposes of this Scheme, all references to the High Court shall be deemed to include references to the National Company Law Tribunal so constituted under the Companies Act, 2013.
- 3.6. "Record Date" means the date to be fixed by the Resulting Company in consultation with the Demerged Company for the purpose of reckoning the names of the equity shareholders (other than Resulting Company and/or any subsidiary of the Resulting Company) of the Demerged Company, who shall be entitled to receive shares of the Resulting Company upon coming into effect of the Scheme.
- 3.7. "Remaining Business" or "Remaining Business of MTWL" shall mean all undertakings, businesses, activities and operations including assets and liabilities of MTWL other than the Two Wheelers Undertaking. It shall specifically include the MTWL Spares Business.
- 3.8. "Resulting Company" or "M&M" means Mahindra and Mahindra Limited a Company incorporated under the Indian Companies Act, VII of 1913 and having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400 001, Maharashtra, India.
- 3.9. "Scheme" means this Scheme of Arrangement between Mahindra Two Wheelers Limited and Mahindra and Mahindra Limited and their respective shareholders and creditors, in its present form and / or with any modifications and amendments thereto made under Clause 24 of this Scheme as approved or directed by the High Court or any other Appropriate Authority.
- 3.10. "Stock Exchanges" means BSE Limited and the National Stock Exchange of India Limited



where the equity shares of the Resulting Company are listed.

- 3.11. "Two Wheelers Undertaking" or "Demerged Undertaking" means MTWL's entire undertaking, business, activities and operations pertaining to the Two Wheeler Business. The term Two Wheelers Undertaking shall include the following:
- 3.11.1. All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible) wherever situated and of whatever nature, pertaining thereto through which MTWL carries on the business, activities and operations relating to the Two Wheelers Business.
- 3.11.2. All present and future liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, current liabilities and provisions, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the business activities and/or operations relating solely to the Two Wheelers Business.
- 3.11.3. Without prejudice to the generality of the above, the Two Wheelers Business shall also include in particular:
- 3.11.3.1. All assets and properties including land, building, Plant and machinery, capital work in progress, equipment, furniture and fixture, vehicles, computers, electrical installations and any other fixed asset in relation to the Two Wheelers Business;
- 3.11.3.2. All current assets, inventory, stock-in-trade, account receivables, loans and advances, prepaid expenses and other assets in relation to the Two Wheelers Business;
- 3.11.3.3. Cash and cash equivalents, bank balances and bank accounts relating to the Two Wheelers Business including fixed deposits;
- 3.11.3.4. Security deposits, advances, earnest monies, balances, advance lease rentals or other payments made to or received from the lessors or suppliers or service providers in relation to the Two Wheelers Business and includes deposits and balances with Government, Semi-Government, local and other authorities and bodies, including all tax balances or balances with any tax authority or other statutory body pertaining to the Two Wheelers Business, customers and other persons earnest moneys and/or security deposits paid or received by MTWL in connection with the Two Wheelers Business;
- 3.11.3.5. All agreements (including but not limited to agreements with respect to immoveable properties by way of lease, license and business arrangements), rights, contracts, entitlements, permits, licenses, registrations, insurance policies, approvals, consents, engagements, arrangements, subsidies, concessions, exemptions and all other privileges and benefits of every kind, nature and description whatsoever (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, etc., unutilised deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, etc.) relating to the Two Wheelers Business;

- 3.11.3.6. Investments held by MTWL in relation to Two Wheelers Business;
- 3.11.3.7. All permanent employees of MTWL excluding those who are engaged in relation to the Remaining Business;
- 3.11.3.8. All records, files, documents, reports, papers, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the Two Wheelers Business;
- 3.11.3.9. All intellectual property including but not limited to technical know-how, assignment of trademarks and other related rights, title and interest vested thereto rights owned or licensed, records, files, papers, data and documents in the name of MTWL and in relation to the Two Wheelers Business, Brand name and domain name;
- 3.11.3.10. All pending litigations or proceedings filed by or against the Demerged Company pertaining to the Two Wheelers Business; and
- 3.11.3.11. All loans and cash credit facilities availed of by the Demerged Company for the purposes of the Two Wheelers Business and other liabilities incurred in connection therewith.

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Two Wheelers Business or whether it arises out of the activities or operations of the Two Wheelers Business shall be decided by mutual agreement between MTWL and the Resulting Company.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 24 of this Scheme duly approved or imposed or directed by the High Court shall be effective from the Appointed Date but shall be operative from the Effective Date. Therefore, for all regulatory and tax purposes, the Demerger would be effective from the Appointed Date of this Scheme. Notwithstanding the above, the accounting treatment to be adopted to give effect to the provisions of the Scheme would be in consonance with Indian Accounting Standards 103 ("Ind AS 103") and the mere adoption of such accounting treatment will not in any manner affect the vesting of the Demerged Undertaking from the Appointed Date.

5. SHARE CAPITAL

- 5.1. The share capital of MTWL as on 31st March 2016 is as under:

Particulars	Amount (Rs.)
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Authorised capital	
350,00,00,000 Equity Shares of Rs 10 each	3500,00,00,000
Issued, subscribed and fully paid-up	
265,83,89,216 Equity Shares of Rs 10 each	2658,38,92,160

Subsequent to 31st March, 2016, there was a further allotment of 34,00,00,000 Equity Shares at Rs.10 per share to MVML on rights basis. The equity shares of MTWL are not listed on any stock exchange, MVML, which is a wholly owned subsidiary of the Resulting Company, holds 276,60,97,350 Equity Shares of the Demerged Company.

5.2. The share capital of the Resulting Company as on 31st March, 2016 is as under:

Particulars	Amount (Rs.)
Authorised capital	
120,00,00,000 Ordinary (Equity) Shares of Rs.5 each and 25,00,000 Unclassified Shares of Rs.100 each	625,00,00,000
Issued, subscribed and fully paid-up	
62,10,92,384 Ordinary (Equity) Shares of Rs.5 each fully paid-up	310,54,61,920
Less : 2,84,58,577 Ordinary (Equity) Shares of Rs.5 each fully paid-up issued to ESOP Trust but not allotted to employees	14,22,92,885
Adjusted : Issued and Subscribed Share Capital of 59,26,33,807 Ordinary (Equity) Shares of Rs.5 each fully paid-up	296,31,69,035

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

PART – II

REORGANISATION OF SHARE CAPITAL OF THE DEMERGED COMPANY

6. REORGANISATION OF SHARE CAPITAL OF MTWL

6.1. Against the securities premium account and share capital of MTWL, it is proposed to write off:

6.1.1. The aggregate of the balance in Profit and Loss Account as on close of business hours on 30 September, 2016; and

6.1.2. The additional debit balance in Profit & Loss Account pursuant to clause 10.2, if any.

6.1.3. Aggregate of the balance in Profit and Loss Account as mentioned in clause 6.1.1. and the additional debit balance in Profit & Loss Account as mentioned under clause 6.1.2 is



collectively referred to as "MTWL Aggregate Book Losses"

- 6.2. Accordingly, upon coming into effect of this Scheme, the MTWL Aggregate Book Losses shall be adjusted:
- 6.2.1. Against the securities premium account as on close of business hours on 30 September, 2016 aggregating to Rs. 7,41,72,890 (Rupees Seven Crore Forty One Lakh Seventy Two Thousand Eight Hundred Ninety only); and
- 6.2.2. Balance against the re-organisation of issued, subscribed and paid-up equity share capital of MTWL by reducing face value and paid up value of equity share capital of Rs 10 each to Re 0.02 each.
- 6.3. The re-organisation of issued, subscribed and paid-up equity share capital of MTWL shall be effected by an amount of Rs 2992,39,24,376 (Rupees Two Thousand Nine Hundred Ninety Two Crore Thirty Nine Lakh Twenty Four Thousand Three Hundred and Seventy Six Only).
- 6.4. Consequent upon the re-organisation, as mentioned above, the MTWL Aggregate Book Losses shall be reduced to NIL and the issued, subscribed and paid-up share capital of MTWL will be revised as under:

Issued, subscribed and fully paid-up	Amount (Rs.)
299,83,89,216 Equity Shares of Re.0.02 each	5,99,67,784

Out of the above, 276,60,97,350 equity shares will be held by MVML.

- 6.5. The share certificates of MTWL in relation to the equity shares held by its equity shareholders shall, without any further application, act, instrument or deed, be deemed to have been automatically modified pursuant to the re-organisation of share capital contemplated in Clause 6.2.2 above.
- 6.6. The re-organisation of securities premium and share capital as aforesaid of MTWL shall be effected as an integral part of and in terms of this Scheme and shall constitute sufficient compliance in terms of Section 52 of the Companies Act 2013 and Sections 100 to 104 of the Companies Act 1956 and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. However, the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act as well as other applicable provisions of Companies Act 2013 (as notified) confirming the re-organization.
- 6.7. The re-organisation of securities premium and share capital as aforesaid of MTWL as envisaged in the Scheme shall not affect or impair in any manner the rights and interests of any of the creditors of MTWL, since MTWL, post such reduction, would continue to be in a position to honor the dues of their respective creditors. Therefore, MTWL seeks liberty of the High Court for dispensation of words "and reduced" to be added as suffix to its name, as contemplated in section 102(2) and 102(3) of the Act.



DEMERGER OF TWO WHEELERS UNDERTAKING**7. TRANSFER AND VESTING OF THE TWO WHEELERS UNDERTAKING**

Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, with effect from the Appointed Date after giving effect to Part II of the Scheme, the Two Wheelers Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Two Wheelers Undertaking) pursuant to the provisions of Sections 391 to 394 of the Act and Section 2(19AA) of the Income-tax Act, 1961 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern without any further act, deed, matter or thing in the following manner:

7.1. Assets

- 7.1.1. The whole of the Two Wheelers Undertaking shall without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in the Resulting Company so as to vest in the Resulting Company all rights, title and interest pertaining to the Two Wheelers Undertaking;
- 7.1.2. All assets, investments, right, title or interest acquired by the Demerged Company after the Appointed Date but prior to the Effective Date in relation to the Two Wheelers Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act, provided however that no onerous asset shall have been acquired by the Demerged Company in relation to any Two Wheelers Undertaking after the Appointed Date without the prior written consent of the Resulting Company; and
- 7.1.3. All the movable assets of the Two Wheelers Undertaking and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash in hand, shall be so transferred to the Resulting Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Resulting Company to the end and intent that the property and benefit therein passes to the Resulting Company with effect from the Appointed Date. Such delivery and transfer shall be made on a date mutually agreed upon between the Demerged Company and the Resulting Company. However such date of delivery shall be within 30 (thirty) days from the Effective Date or such other date as may be mutually agreed upon by the Demerged Company and the Resulting Company.
- 7.1.4. Upon the Scheme coming into effect and with effect from the Appointed Date, all immovable property, whether freehold or leasehold, (including but not limited to land, buildings, offices, factories, sites and any other immovable property, including accretions and appurtenances) relating to the Two Wheelers Undertaking of the Demerged Company, and any document of title, rights, interest and easements in relation thereto shall stand transferred to and be vested in the Resulting Company, without any act or deed to be done by the Demerged Company and/ or the Resulting Company and/or any other Appropriate Authority. The Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation and/or substitution of the title to the immovable properties shall be made and duly recorded in the name of the Resulting Company by the

appropriate governmental authorities and third parties pursuant to the sanction of the Scheme by the High Court and upon the Scheme becoming effective in accordance with the terms hereof without any further act or deed on part of the Demerged Company and/ or the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations as may be necessary for the purposes of the aforesaid mutation and/or substitution.

7.2. Contracts

- 7.2.1. All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Two Wheelers Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect against or in favour of, as the case may be, the Resulting Company in which the Two Wheelers Undertaking vests by way of demerger hereunder and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder; and
- 7.2.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Two Wheelers Undertaking occurs by virtue of this Scheme itself, 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, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of Part III of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company in relation to the Two Wheelers Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.

7.3. Liabilities

- 7.3.1. All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Two Wheelers Undertaking shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause;
- 7.3.2. Where any of the loans raised and used, liabilities and obligations incurred, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company, have been discharged by the Demerged 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
- 7.3.3. All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Two Wheelers Undertaking with prior approval of the



Resulting Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the debts, liabilities, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same.

7.4. Licenses and Permissions

Any statutory licenses, permissions or approvals or consents held by the Demerged Company required to carry on operations of the Two Wheelers Undertaking shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Resulting Company as if they were originally obtained by the Resulting Company. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed of by the Demerged Company relating to the Two Wheelers Undertaking, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.

PART – IV

REMAINING BUSINESS

8. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 8.1. The Remaining Business of the Demerged Company and all other assets, liabilities, incentives, rights and obligations pertaining thereto shall continue to be vested in and managed by the Demerged Company in the manner as provided below.
- 8.2. All legal and other proceedings including any insurance claims by or against the Demerged 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 of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.
- 8.3. With effect from the Appointed Date:
 - 8.3.1. The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;
 - 8.3.2. The Demerged Company may enter into such contracts as the Demerged Company may deem necessary in respect of the Remaining Business;

- 8.3.3. All profits accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profits, or losses, as the case may be, of the Demerged Company;
- 8.3.4. All assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company; and
- 8.3.5. All liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Business shall belong to and continue to remain vested in the Demerged Company.

PART V

CONSIDERATION AND ACCOUNTING TREATMENT

9. CONSIDERATION

- 9.1. In consideration of the transfer and vesting of the Demerged Undertaking in accordance with the provisions of this Scheme, the paid-up share capital of the Resulting Company shall be increased in the manner set out in this Clause.
- 9.2. Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Resulting Company, the Resulting Company shall, without any further application or deed, for every 461 (Four Hundred and Sixty One) fully paid-up equity shares of the Demerged Company, issue and allot to each member of the Demerged Company (other than Resulting Company and/or any subsidiary of Resulting Company) whose name appears in the register of members of the Demerged Company as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, subject to the provisions of Clause 9.3 below, 1 (One) fully paid-up ordinary (equity) share of Rs 5 each, of the Resulting Company. For this purpose the number of shares held by the shareholders/members of Demerged Company before reorganisation of share capital as referred in clause 6.2.2 will be considered. For the purposes of the allotment referred to in this Clause, fractional entitlements shall be rounded-off to the next higher whole number.
- 9.3. The ordinary (equity) shares to be issued by the Resulting Company pursuant to Clause 9.2 above shall be issued in dematerialised form, provided that the members of the Demerged Company have an account with a depository participant and provided details thereof and such other confirmations as may be required are furnished by such members of the Demerged Company to the Resulting Company on or before the Record Date.
- 9.4. The ordinary (equity) shares of the Resulting Company to be issued to the members of the Demerged Company pursuant to Clause 9.2 above shall be subject to the memorandum and articles of association of the Resulting Company and shall rank pari passu in all respects, including dividend, with the existing ordinary (equity) shares of the Resulting Company.
- 9.5. The ordinary (equity) shares of the Resulting Company are listed and admitted to trading on the Stock Exchanges. The Resulting Company shall enter into such arrangements and



give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges with respect to the issue of ordinary (equity) shares under this Scheme. On such formalities being fulfilled, the Stock Exchanges shall list and/or admit such equity shares issued pursuant to this Scheme, for the purpose of trading. The ordinary (equity) shares allotted pursuant to Clause 9.2 shall remain frozen in the depositories system till listing /trading permission is given by the Stock Exchanges, respectively and shall be subject to such lock-in as may be prescribed by the Stock Exchange and/or other Governmental Authorities.

- 9.6. The issue and allotment of ordinary (equity) shares by the Resulting Company, to the shareholders of Demerged Company as provided in Clause 9.2 is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the Act, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and all other relevant Rules, Regulations and Laws for the time being in force were duly complied with.

10. IN THE BOOKS OF MTWL

- 10.1. The assets and the liabilities of MTWL being transferred to the Resulting Company after giving effect to clause 6.1.1 of Part II of the Scheme shall be transferred at values appearing in the books of account of MTWL as on the Appointed Date;
- 10.2. The excess of assets over liabilities transferred under clause 10.1 above, shall be debited to Reserves (Balance in Profit & Loss Account) of MTWL. In case of deficit, the same shall be credited to capital reserve.

11. IN THE BOOKS OF THE RESULTING COMPANY

- 11.1. On the Scheme becoming effective, the Resulting Company shall account for the demerger of the Two Wheelers Undertaking in its books of account with effect from the Appointed Date as under:
- 11.1.1. The Resulting Company shall account for the demerger in accordance with "Pooling of Interest Method" laid down by Appendix C of Ind AS 103 (Business combinations of entities under common control) notified under the provisions of the Companies Act, 2013.
- 11.1.2. All the assets and liabilities, after giving effect to clause 6.1.1 of Part II of the Scheme pertaining to the Two Wheelers Undertaking, transferred to the Resulting Company under the Scheme shall be recorded in the books of the Resulting Company at the value and in the same form as recorded in the books of MTWL as on the Appointed Date;
- 11.1.3. Pursuant to clause 9.2 of the Scheme, the consideration issued to the shareholders of the Demerged Company (other than Resulting Company and/or any subsidiary of Resulting Company) in the form of equity shares of the Resulting Company shall be credited to share capital account at the nominal value of the equity shares issued by it;
- 11.1.4. If and to the extent there are inter-corporate loans, deposits or balances as between the Resulting Company and Two Wheelers Undertaking, the obligations in respect thereof



shall, on and from the Appointed Date, shall stand cancelled and there shall be no obligation/outstanding in that behalf.

11.1.5. The deficit/surplus arising after recording the entries contained in clause 11.1.2 and clause 11.1.3 above shall be transferred to Capital Reserve.

11.1.6. In case of any difference in accounting policies between the Two Wheelers Undertaking and the Resulting Company, the impact of the same till the Appointed Date will be quantified and adjusted to the Reserves of the Resulting Company to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies.

11.1.7. All costs and expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme shall be debited to the statement of profit and loss of the Resulting Company.

11.2. Comparative accounting period presented in the financial statements of Resulting Company shall be restated for the accounting impact of demerger, as stated above, as if the demerger had occurred from the beginning of the comparative period in the financial statements.

PART VI

GENERAL TERMS & CONDITIONS

12. RECLASSIFICATION OF AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY AND DEMERGED COMPANY

12.1. Authorised share capital of M&M

12.1.1. As an integral part of the Scheme and upon effectiveness of the Scheme, an amount of Rs 3450,00,00,000 (Rupees Three Thousand Four Hundred and Fifty Crore only) shall stand transferred from the authorised equity share capital of the Demerged Company to the authorised equity share capital of the Resulting Company and upon transfer of the amount of Rs 3450,00,00,000 (Rupees Three Thousand Four Hundred and Fifty Crore only) from the authorised equity share capital of the Demerged Company to the authorised equity share capital of the Resulting Company, the authorised equity share capital of the Resulting Company shall stand enhanced to Rs 4075,00,00,000 (Rupees Four Thousand and Seventy Five Crore only) divided into 810,00,00,000 (Eight Hundred and Ten Crore) Ordinary (Equity) shares of face value of Rs 5 (Rupees Five) each and 25,00,000 (Twenty Five Lakhs) Unclassified Shares of Rs 100 each/pursuant to Sections 13, 14 and 61 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be, without any further act, instrument or deed by the Resulting Company and without any liability for payment of any additional fees or stamp duty in respect of such increase as the stamp duty and fees has already been paid by the Demerged Company on such authorised equity share capital, the benefit of which stands vested in the Resulting Company pursuant to the Scheme becoming effective on the Effective Date.

12.1.2. Subsequent to enhancement of the authorized equity share capital of the Resulting Company as contemplated herein, Clause V of the Memorandum of Association of the Resulting Company shall stand modified and read as follows:



"The Authorised Share Capital of the Company is Rs 4075,00,00,000 (Rupees Four Thousand and Seventy Five Crore only) divided into 810,00,00,000 Ordinary (Equity) Shares of Rs.5 each and 25,00,000 Unclassified Shares of Rs. 100 each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation."

12.2. Authorised share capital of MTWL

12.2.1. Upon the scheme becoming effective, the existing authorised share capital of Rs3500,00,00,000 (Rupees Three Thousand Five Hundred Crore) consisting of 350,00,00,000 (Three Hundred and Fifty Crore) equity shares of Rs.10/- each shall stand reclassified as equity share capital of Rs. 50,00,00,000 (Rupees Fifty Crore) consisting of 2500,00,00,000 (Two thousand Five Hundred Crore) equity shares of Rs 0.02/- each pursuant to Section 13, 14, 61 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be without any further act, instrument or deed.

12.2.2. Upon the sanction of the Scheme, the Clause V of the Memorandum of Association of MTWL shall be read as:

"The Authorised Share Capital of the Company is Rs. 50 Crore (Rupees Fifty Crore) divided into 2500,00,00,000 equity shares of Re. 0.02/- each with power to increase and/or reduce the capital of the Company,"

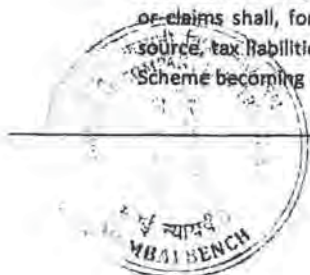
13. TAX ASPECTS

13.1. This Scheme is in compliance with the conditions relating to "Demerger" as specified under Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 such that:

13.1.1. The transfer of the Two Wheelers Undertaking will be on a going concern basis with effect from the Appointed Date.

13.1.2. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961, the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 as on the Appointed Date; such modification shall not affect other parts of the Scheme.

13.2. Upon Scheme becoming effective, it is clarified that all the taxes and the duties payable by the Demerged Company, relating to the Demerged Undertaking, from the Appointed Date onwards, including all advance taxes, tax deduction at source, tax liabilities, or any refunds or claims shall, for all purpose, be treated as advance tax payments, tax deduction at source, tax liabilities, refunds or claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Demerged Company, is expressly, permitted to revise and



file and the Resulting Company is expressly permitted to revise and file their respective, income tax returns including tax deduction at source certificates, sales tax/value added tax returns, excise return, service tax returns, and other tax returns, and to claim refund/credit, pursuant to the provisions of this Scheme.

- 13.3. In accordance with the relevant central or state legislation dealing with indirect taxes, as are prevalent on the Effective Date, the unutilized credit relating to excise duties and value added taxes paid on inputs/capital goods lying to the account of the Demerged Undertaking, shall be permitted to be transferred to the credit of the Resulting Company, as if such unutilized credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such credits against excise duty / applicable valued added tax payable by it.
- 13.4. Upon the Scheme becoming effective, any TDS deposited, TDS certificates issued or TDS returns filed by the Demerged Company pertaining to the Demerged Undertaking shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Resulting Company.
- 13.5. The obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company pertaining to the Demerged Undertaking under the Income Tax Act, 1961, service tax laws, central sales tax, state value added tax or other applicable laws and/or regulations dealing with taxes, duties or levies shall be deemed to have been made and duly complied with on behalf of the Resulting Company.

14. SECURITY

- 14.1. The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgage and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof to the extent that such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking. It is agreed by and between the Demerged Company and the Resulting Company, that pursuant to the demerger, necessary steps shall be taken in order to effect the change/ modification of charges, if any, in the records of the Registrar of Companies.
- 14.2. It is clarified that unless otherwise determined by the Board of Directors of the Resulting Company, in so far as the assets comprising the Demerged Undertaking are concerned:
- the security or charge relating to loans or borrowings of the Demerged Company, in relation to the Demerged Undertaking, shall without any further act or deed continue to relate to the said assets only after the Appointed Date and the said assets shall not relate to or be available as security in relation to any other borrowings of the Demerged Company;
- 14.3. Similarly, the security or charge relating to loans or borrowings of the Demerged Company, in relation to the Demerged Undertaking, shall continue to relate to the said assets only after the Appointed Date and shall not relate to or be available as security in relation to any other borrowings of the Resulting Company and vice versa;
- 14.4. The other assets of the Demerged Company shall not relate to or be available as security in relation to the said borrowings of the Demerged Company, in relation to the Demerged Undertaking; and



- 14.5. The Demerged Company may enter into such alternate arrangements with the lenders pursuant to the release of security as per the provisions mentioned herein.

15. TRANSFER AT BOOK VALUES

All the assets, properties and the liabilities of the Demerged Undertaking being transferred by the Demerged Company shall be transferred at values appearing in its books of accounts (ignoring revaluation) of the Demerged Company, immediately before the demerger on the Appointed Date.

16. EMPLOYEES

- 16.1. On and from the Effective Date, all permanent employees relating to the Demerged Undertaking, as were employed by the Demerged Company, immediately before such date, shall become the employees of the Resulting Company with the benefit of continuity of service and without any break or interruption in service. It is clarified that the employees of the Demerged Undertaking, who become employees of the Resulting Company by virtue of this Scheme, shall continue to be governed by the same terms of employment as were applicable to them immediately before the demerger. The Resulting Company undertakes to abide by any agreement/settlement, if any, entered into by the Demerged Company with any of its respective employees thereof. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, or any other benefits and incentives, if any, such past services with the Demerged Company shall be taken into account.
- 16.2. It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund created or any other special fund existing for the benefit of the employees of the Demerged Company, in relation to the Demerged Undertaking shall become the funds of the Resulting Company, for all purposes whatsoever in relation to the administration or operation of such fund(s) or in relation to the obligation to make contributions to the said fund(s) in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company, in relation to the Demerged Undertaking in relation to such fund(s) shall become those of the Resulting Company. These funds shall, subject to the necessary approvals and permissions and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company for the benefit of the employees of the Demerged Undertaking or be transferred to and merged with other similar funds of the Resulting Company. It is clarified that the services of the employees of the Demerged Company, in relation to the Demerged Undertaking shall be treated as having been continuous for the purpose of the said fund(s); and
- 16.3. With effect from the date of filing of this Scheme with the High Court and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees, except with the prior written consent of the Resulting Company.

17. BUSINESS AND PROPERTY IN TRUST

- 17.1. During the period between the Appointed Date and up to and including the Effective Date:

17.1.1. The Demerged Company shall be deemed to have been carrying on all the business and activities relating to the Demerged Undertaking and shall be deemed to hold and stand



possessed of the entire business and undertakings in relation to the Demerged Undertaking for and on account of and in trust, on behalf of the Resulting Company.

- 17.1.2. All the income or profits accruing or arising to the Demerged Company and all costs, charges, expenses or losses incurred by the Demerged Company, in relation to the Demerged Undertaking shall for all purposes of this demerger be treated as the income, profits, costs, charges, expenses and losses of the Resulting Company, as the case may be.
- 17.1.3. Any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company; and
- 17.1.4. The Demerged Company shall carry on the business pertaining to the Two Wheelers Undertaking with reasonable diligence and business prudence and shall not alter or diversify business within the Two Wheelers Undertaking nor venture into any new business (except for Remaining Business), nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior written consent of the Resulting Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of this Scheme by the respective boards of directors of the Demerged Company and the Resulting Company.
- 17.2. The Demerged Company shall not utilise the profits or income in relation to the Demerged Undertaking for the purpose of declaring or paying any dividend in respect of the period falling on and after the Appointed Date, without the prior written consent of the Resulting Company.
- 17.3. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Governmental Authorities or other appropriate forums as may be required under any applicable law, for such consents, approvals and sanctions which the Resulting Company may require.

18. PENDING PROCEEDINGS

- 18.1. All legal, administrative and other proceedings, of whatsoever nature pending in any court or before any authority, judicial, quasi judicial or administrative or any adjudicating authority and/or arising after the Appointed Date and relating to the Demerged Undertaking, or its respective properties, assets, debts, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against the Demerged Company; and from the Effective Date, shall be continued and enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company, had the Scheme not been made. On and from the Effective Date, the Resulting Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Demerged Undertaking, in the same manner and to the same extent as would or might have been initiated by the Demerged Company as the case may be, had the Scheme not been made; and
- 18.2. If any suit, appeal or other proceedings relating to the Demerged Undertaking, of whatever nature by or against the Demerged Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the demerger of the Demerged Undertaking or by anything contained in this Scheme but the proceedings may



be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if this Scheme had not been made.

19. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against the Resulting Company, as envisaged under this Scheme, shall not affect any transaction or proceedings already concluded by the Demerged Company, in relation to the Demerged Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company, in relation to the Demerged Undertaking, as done and executed on behalf of itself.

20. VALIDITY OF EXISTING RESOLUTIONS, ADJUSTMENTS ETC.

All Resolutions passed by the Demerged Company so far as they relate to or to be done or caused to be done in relation to the Demerged Undertaking, shall be deemed to have been passed by the Resulting Company and deemed to have authorized any Director of the Resulting Company or such other person(s) as authorized by any two Directors of the Resulting Company to do all acts, deeds, things as may be necessary to give effect to these Resolutions, without any further acts to be done by the Resulting Company.

21. DECLARATION OF DIVIDEND

For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Resulting Company from declaring and paying dividends, whether interim or final, to its equity shareholders.

22. APPLICATION TO THE HIGH COURT

22.1. The Demerged Company shall and the Resulting Company, if required, shall make applications/ petitions to the High Court for sanction of this Scheme, under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act 1956 and Section 52 of the Companies Act 2013 and other applicable provisions of the Act; and

22.2. Any dispute arising out of this Scheme shall be subject to the jurisdiction of the High Court.

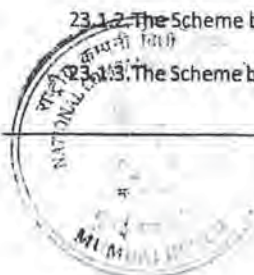
23. CONDITIONALITY OF THE SCHEME

23.1. This Scheme is and shall be conditional upon and subject to:

23.1.1. The Scheme being approved by Directorate of Industries under part 1 of the 1993 Package Scheme of Incentives as notified under Government of Maharashtra resolution. The Scheme being agreed to by the requisite majority of the respective members and / or creditors of the Demerged Company and of the Resulting Company, in terms with the applicable provisions of the Act, directions of the High Court, regulations and guidelines issued by SEBI (if applicable), as amended and updated from time to time, and as may be considered necessary to give effect to the scheme.

23.1.2. The Scheme being approved by the Stock Exchanges;

23.1.3. The Scheme being approved by the High Court under Sections 391 to 394 read with Sections



100 to 104 of the Companies Act 1956 and Section 52 of the Companies Act 2013; and

- 23.1.4. The authenticated/ certified copy of the order of the High Court sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai.

24. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Demerged Company and the Resulting Company (acting through their Board of Directors, Committee thereof or any director or any other person authorised by the Board of Directors, Committee thereof to this effect) may assent to any modifications or amendments to this Scheme or to any conditions or limitations that the High Court may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the respective Demerged Company and Resulting Company, including pursuant to the orders of the High Court and/or any other authorities as they may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. The Demerged Company and the Resulting Company (acting through their Board of Directors, Committee thereof or any director or any other person authorised by the Board of Directors, Committee thereof to this effect) shall be authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the High Court or of any directions given by any other appropriate authorities or for any reason otherwise arising out of this Scheme and/or any matters concerning or connected herewith.

25. EFFECT OF NON-RECEIPT OF APPROVALS

- 25.1. In case the Scheme is not approved by the High Court or any of the approvals or conditions enumerated in the Scheme have not been obtained or complied with, or for any other reason, if this Scheme cannot be implemented, then the board of directors of the Demerged Company and the Resulting Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred by either the Resulting Company or the Demerged Company and each party shall bear their respective costs, charges and expenses in connection with this Scheme unless otherwise mutually agreed upon.
- 25.2. If any part of this Scheme hereof is invalid, held illegal by any court of competent jurisdiction, or unenforceable under any present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

26. COSTS, CHARGES AND EXPENSES

Save and except as provided otherwise, all costs, charges, expenses, taxes including duties, levies in connection with the Scheme and its implementation thereof, and matters incidental thereto, shall be borne by the Resulting Company.





Certified True Copy

Date of Application 20.10.2012

Number of Pages 20 21

Fee Paid Rs. 105 105

Applicant called for collection copy on 24.10.2012

Copy prepared on 24.10.2012

Copy issued on 24.10.2012

Deputy Director

National Company Law Tribunal, Mumbai Bench

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

BENCH, at MUMBAI

COMPANY SCHEME PETITION NO 683 OF 2017

In the matter of the Companies Act, 2013;

AND

In the matter of sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013 as amended, including any statutory modification(s) or re-enactment(s) thereof and corresponding provisions of the Companies Act, 1956 to the extent as may be applicable;

AND

In the matter of Scheme of Arrangement between Mahindra Two Wheelers Limited having CIN: U35911MH2008PLC185462 ('Demerged Company') and Mahindra & Mahindra Limited having CIN: L65990MH1945PLC004558 ('Resulting Company') and their respective Shareholders and Creditors



MAHINDRA & MAHINDRA LIMITED

... Petitioner Company

**CERTIFIED COPY OF ORDER DATED 18TH DAY OF
OCTOBER 2017 AND THE SCHEME ANNEXED TO
THE PETITION**

HEMANT SETHI & CO
ADVOCATES FOR PETITIONERS

9820244453

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT - II

CP (CAA) No. 1011/MB/C-II/2020

connected with

CA (CAA) No. 3948/MB/C-II/2019

In the matter of Sections 230 to 232 and other
applicable provisions of the Companies Act,
2013;

And

In the matter of Scheme of Merger by Absorp-
tion of Mahindra Vehicle Manufacturers Lim-
ited ('MVML' or 'Transferor Company') with
Mahindra and Mahindra Limited ('M&M' or
'Transferee Company') and their respective
Shareholders (the Scheme).

MAHINDRA VEHICLE MANU-
FACTURERS LIMITED is a company
incorporated under the Companies Act,
1956 with its registered office at Mahin-
dra Towers, P.K. Kurne Chowk, Worli,
Mumbai 400018, Maharashtra, India
[CIN: U34100MH2007PLC171151]

.. First Petitioner/Transferor Company



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT - II

CP (CAA) No. 1011/MB/C-II/2020

connected with

CA (CAA) No. 3948/MB/C-II/2019

MAHINDRA AND MAHINDRA
LIMITED is a company incorporated
under the Companies Act, 1913 with its
registered office at Gateway Building,
Apollo Bunder, Mumbai 400001, Ma-
harashtra, India
[CIN:L65990MH1945PLC004558]

...Second Petitioner/Transferee Company

(Hereinafter the First and Second Petitioner Company collectively referred
to as 'Petitioner Companies')

Order delivered on: 26.04.2021

Coram:

Mr. H.P Chaturvedi : Hon'ble Member (Judicial)

Mr. Ravikumar Duraisamy : Hon'ble Member (Tech-
nical)

Appearances (via videoconferencing) :

For the Petitioners : Mr. Hemant Sethi, Ms Vidisha
Poonja i/b Hemant Sethi & Co.,
Advocates

For the Regional Director (WR) : Ms. Rupa Sutar, Deputy Director



IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH, COURT - II

CP (CAA) No. 1011/MB/C-II/2020

connected with

CA (CAA) No. 3948/MB/C-II/2019

ORDER

Per: Ravikumar Duraisamy, Member

1. The Court is convened by videoconference today.
2. Heard Learned Counsel for Petitioner Companies. No objector has come before the Tribunal to oppose the petition and nor has any party controverted any averments made in the petition.
3. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and in the matter of Scheme of Merger by Absorption of Mahindra Vehicle Manufacturers Limited ('MVML' or 'Transferor Company') with Mahindra and Mahindra Limited ('M&M' or 'Transferee Company') and their respective Shareholders (the Scheme).
4. The Learned Counsel for the Petitioner Companies submits that First Petitioner Company is engaged in the business of manufacture of passenger vehicles like XUV 500, KUV 100, TUV 300, Alturas and the whole new range of medium and heavy commercial vehicles (Blazo & Furio) and Construction equipment (Earth Master). In March 2015, MVML opened a branch in Detroit, US for design, engineering & development of Automobile. In addition to captive design & engineering work, said branch is also providing services to M&M. MVML has recently opened a new branch in Virginia. The Second Petitioner Com-



IN THE NATIONAL COMPANY LAW TRIBUNAL
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pany is engaged in the business of manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles, three-wheelers and trucks and buses.

5. The Learned Counsel for the Petitioner Companies submits that the proposed merger will be beneficial to the Petitioner Companies, their respective shareholders and creditors, employees and other stakeholders and they will have following benefits:

- MVML provides support and services largely to M&M and there are no other third party(s) outside the Mahindra group to which any services are provided by MVML. Accordingly, the merger of MVML into M&M will result in operational synergies resulting in cost optimization. Moreover, this would enable M&M to enhance its focus on the automotive business.
- The Scheme will also achieve rationalization of costs by simplification of management structure leading to better administration and cost savings.
- It is the intention of the M&M management to rationalize the group holding structure by way of reduction in the number of entities.

Alongside this intent:

- In light of the feedback provided by the investors, analysts and other stakeholders of M&M on various forums, it is proposed to streamline the structure of M&M by merging MVML with M&M.



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT - II

CP (CAA) No. 1011/MB/C-II/2020

connected with

CA (CAA) No. 3948/MB/C-II/2019

- The proposed merger will also simplify the financial reporting to all stakeholders & help evaluate financial results of the Company more meaningfully.
 - In addition, the proposed merger will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by MVML.
 - The proposed corporate restructuring mechanism by way of a scheme of merger by absorption under the provisions of the Act will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of MVML and M&M.
6. The Petitioner Companies further submits that the Board of Directors in their respective meeting held on 29th May 2019 has approved the Scheme and have approached the Tribunal for sanction of the Scheme
7. Learned Counsel for the Petitioner Companies submits that the Petition has been filed in consonance with the order dated 20th February 2020 passed by this Tribunal in CA(CAA) No. 3948/MB/C-II/2019.
8. The Regional Director has filed its report dated 4th March 2021 ("the Report") stating that, save and except the observations as stated in paragraph IV (a) to (e) of the report, this Tribunal may pass such order or orders as deemed fit and proper in the facts and circumstance of the



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT - II

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connected with

CA (CAA) No. 3948/MB/C-II/2019

case. The observation stated in para IV of the Report of the Regional Director are as under:

a. *In compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.*

b. *As per Definition of the Scheme*

'Appointed Date' means the 1st day of April, 2019 or such other date as may be directed or approved by the National Company Law Tribunal or any other appropriate authority.

"Effective Date" means the last of the dates on which the conditions mentioned in Clause 20(a) is obtained or passed or filed, as the case may be.

Further, the Petitioners may be asked to comply with the requirements and clarified vide circular no. F. No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.

c. *Petitioner Company have to undertake to comply with section 232(3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the amalgamation and therefore, petitioners to affirm that they comply the provisions of the section.*

d. *As per Clause 16 (b) of the Scheme, if the approval of NCLT for the Scheme of Merger is received after the balance sheet date but before the approval of the financial statements for issue by the Board of Directors, its shall be treated as an adjustment event under Ind AS 10 – 'Events after the Reporting Period' and shall be given effect to in the financial statements with effect from the Appointed date.*



**IN THE NATIONAL COMPANY LAW TRIBUNAL
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In this regards, Petitioner Companies have to undertake that after giving accounting treatment the surplus shall be credited to Capital Reserve Account arising out of amalgamation and deficits shall be debited to Goodwill Account. Further Petitioner Companies have to undertake that reserves shall not be available for distribution of dividend.

- e. *ROC, Mumbai Report dated 04.12.2020 has interalia mentioned that there are no prosecution, no technical scrutiny, no inquiry, no inspection is pending.*

Several complaints are pending against Transferee Company i.e. Mahindra and Mahindra Limited, which is enclosed herewith as (Annexure G).

Further mentioned that :-

As per master data :-

Mahindra Vehicles Manufactures Limited (Transferor Company)

Authorised Capital (Rs) 6500000000

Paid up Capital (Rs) 47547234840

Mahindra And Mahindra Limited (Transferee Company)

Authorised Capital (Rs) 40750000000

Paid up Capital (Rs) 6215962720

Which does not match with the details mentioned in the Scheme.

Following Charges are pending (open) against Mahindra Vehicles Manufacturers Limited (Transferor Company)

Charge Amount Status

5000000000 OPEN

1500000000 OPEN

Hence, Petitioner Transferee Company shall undertake to pay off all pending open charges of the Transferor Company.

Petitioner Companies shall undertake to clarify the difference between authorised share capital and paid-up share capital pointed out in aforesaid



IN THE NATIONAL COMPANY LAW TRIBUNAL
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which does not match with the master data and the details mentioned in the scheme.

9. In response to the above observations of the Regional Director, the Petitioner Companies have filed an Affidavit in rejoinder dated 11th March 2021 and have clarified as follows:

- (a) As far as observations made in paragraph IV (a) of the Report of Regional Director is concerned, the Transferee Company undertakes that in addition to compliance of AS-14 (IND AS-103), to the extent applicable, the Transferee Company will also pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.
- (b) As far as the observations made in paragraph IV (b) of the Report of Regional Director is concerned, the Transferee Company confirms that as per Clause 1.3 of the Scheme, the "Appointed Date" is fixed at 1st day of April, 2019 which is in compliance with the provisions of section 232(6) of the Companies Act, 2013, and the Scheme shall be deemed to be effective from 1st April 2019 i.e. the Appointed Date. The same therefore meets the requirement of circular No F.No.7/12/2019/CL-L1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.
- (c) As far as observations made in paragraph IV (c) of the Report of Regional Director is concerned, the Transferee Company under-



IN THE NATIONAL COMPANY LAW TRIBUNAL
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takes when the Transferor Company is dissolved, the fee, if any, paid by the Transferor Company on its authorised capital shall be set-off against any fees payable by the Transferee Company on its authorized capital subsequent to the amalgamation and undertake to comply with provisions of section 232(3)(i) of Companies Act, 2013.

(d) As far as observations made in paragraph IV (d) of the Report of Regional Director is concerned, the Transferee Company undertakes to comply with the observation of the RD. Further, Transferee Company also undertakes that, the Capital Reserves so created shall not be made available for distribution of dividend.

(e) As far as observations made in paragraph IV (e) of the Report of Regional Director is concerned, the Regional Director has pointed out the observation raised by the ROC which interalia states -

a) *"Several complaints are pending against Transferee Company i.e. Mahindra and Mahindra Limited"*

➤ The Transferee Company undertakes that, pursuant to the sanction of the Scheme, the Transferee Company will still be in existence and will resolve all the complaints that are pending against it in the due course of time.

b) *As per master data :-*



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Mahindra Vehicles Manufactures Limited (Transferor Company)

Authorised Capital (Rs) 6500000000

Paid up Capital (Rs) 47547234840

Mahindra And Mahindra Limited (Transferee Company)

Authorised Capital (Rs) 40750000000

Paid up Capital (Rs) 6215962720

Which does not match with the details mentioned in the Scheme

- With respect to the paid-up capital of the Transferor Company, the Transferee Company has stated that, it is on account of shares issued by MVML (Transferor Company) to M&M (Transferee Company) post filing of the Scheme in accordance with provisions of Clause 11(g) of the Scheme. Further, with respect to the authorized share capital of Transferor Company, the Transferee Company states that the details in the master data are same as the details as disclosed in the Scheme and there is no further discrepancy in this regard.

With respect to the authorized and paid-up share capital of the Transferee Company, the Transferee Company States that the details in the master data are same as the details disclosed in the Scheme and there is no further discrepancy in this regard.

- c) *Following Charges are pending (open) against Mahindra Vehicles Manufacturers Limited (Transferor Company)*

<i>Charge Amount</i>	<i>Status</i>
5000000000	OPEN



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1500000000

OPEN

Hence, Petitioner Transferee Company shall undertake to pay off all pending open charges of the Transferor Company.

- With reference to observations made pertaining to open charges, it is hereby clarified that as per Clause 7 of the Scheme, it provides for the Transfer and Vesting of Liabilities of the Transferor Company to the Transferee Company, which is reproduced as below –

"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 Tribunal and under the provisions of Sections 230 to 232 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 7."



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Accordingly, the Transferee Company undertakes to pay off all pending open charges of the Transferor Company in the ordinary course of business.

10. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 9 above. The clarifications and undertakings given by the Petitioner Companies are accepted.
11. The Regional Director has filed his Supplementary Report dated 18 March 2021, stating therein that the Petitioner Companies in their Affidavit-in-Rejoinder have submitted its replies on all issues in regards to the observations made by the Regional Director in his report.
12. The Official Liquidator, High Court, Bombay, has filed his report dated 4th January 2021, inter alia, stating therein that the affairs of Transferor Company have been conducted in a proper manner, not prejudicial to the interest of the shareholders of Transferor Company and that First Petitioner Company/Transferor Company may be ordered to be dissolved without winding up by this Tribunal.
13. 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. Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant



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to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the entire business and whole of the Undertaking of the Transferor Company 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.

14. The Transferor Company is a wholly owned subsidiary of Transferee Company. Accordingly, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the Transferor Company (held directly and jointly with the nominee shareholders) and the issued and paid-up capital of the Transferor Company shall stand cancelled on the Effective Date without any further act, instrument or deed.
15. Since all the requisite statutory compliances have been fulfilled, CP(CAA) No. 1011/MB/C-II/2020 is made absolute in terms of the prayer clauses of the said Company Scheme Petition.
16. The Scheme is hereby sanctioned with the Appointed Date of 1st April 2019.



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17. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically along with e-form INC-28 within 30 days from the date of receipt of the certified copy of order by the Petitioner Companies.
18. The First Petitioner Company/Transferor Company stand dissolved without the process of winding up.
19. The Petitioner Companies shall comply with the undertakings given by it.
20. The Second Petitioner Company/Transferee Company to lodge a copy of this Order duly authenticated/certified by the Registry, National Company Law Tribunal, Mumbai Bench along with the Scheme, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified order from the Registry.
21. All concerned regulatory authorities to act upon a copy of this order duly certified by the Registry, National Company Law Tribunal, Mumbai Bench along with Scheme.



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22. The Petitioner Companies is directed to issue newspaper publications with respect to approval of the Scheme, in the same newspapers in which previous publications were issued.
23. Any person interested is at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.
24. Any concerned authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.
25. Ordered accordingly.

Sd/-

RAVIKUMAR DURASAMY
MEMBER (TECHNICAL)
26.04.2021
SAM

Sd/-

H.P CHATURVEDI
MEMBER (JUDICIAL)

Certified True Copy

Date of Application 26/4/2021

Number of Pages 13

Fee Paid Rs. 75

Applicant called for collection copy on 04/6/2024

Copy prepared on 04/6/2024

Copy issued on 04/6/2024

Joint Registrar

National Company Law Tribunal Mumbai Bench



SCHEME OF MERGER BY ABSORPTION

Mahindra Vehicle Manufacturers Limited Transferor Company

AND

Mahindra and Mahindra Limited Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE

PROVISIONS OF THE COMPANIES ACT, 2013

This Scheme of Merger by Absorption (the Scheme) is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 (including any statutory modification or re-enactment or amendment thereof), as may be applicable, for the merger of Mahindra Vehicle Manufacturers Limited with Mahindra and Mahindra Limited and their respective shareholders.

A. Description of the Companies:

Transferor Company

- a. Mahindra Vehicle Manufacturers Limited is a company incorporated on 25th May, 2007 under the Companies Act, 1956 having its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai 400018, India ("Transferor Company" or "MVML") [CIN: U34100MH2007PLC171151]. It was set up in 2007, as an automotive manufacturing Company and having its plant at Chakan, Pune. MVML is



in the business of manufacture of passenger vehicles like XUV 500, KUV 100, TUV 300, Alturas and the whole new range of medium and heavy commercial vehicles (Blazo & Furio) and construction equipment (EarthMaster). In March 2015, MVML opened a branch in Detroit, US for design, engineering & development of Automobile. In addition to captive design & engineering work, said branch is also providing services to M&M. MVML has recently opened a new branch in Virginia. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

Transferee Company

- b. Mahindra and Mahindra Limited is a public limited company incorporated on 2nd October, 1945 under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400 001, Maharashtra, India (“Transferee Company” or “M&M”) [CIN : L65990MH1945PLC004558]. The Transferee Company is inter alia, engaged in the business of manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles, three-wheelers and trucks and buses. The equity shares of the Transferee Company are listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”). The Global Depository Receipts (GDRs) of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange.



B. Rationale of the Scheme:

- MVML provides support and services largely to M&M and there are no other third party(s) outside the Mahindra group to which any services are provided by MVML. Accordingly, the merger of MVML into M&M will result in operational synergies resulting in cost optimization. Moreover, this would enable M&M to enhance its focus on the automotive business.
- The Scheme will also achieve rationalization of costs by simplification of management structure leading to better administration and cost savings.
- It is the intention of the M&M management to rationalize the group holding structure by way of reduction in the number of entities.

Alongside this intent:

- In light of the feedback provided by the investors, analysts and other stakeholders of M&M on various forums, it is proposed to streamline the structure of M&M by merging MVML with M&M.
- The proposed merger will also simplify the financial reporting to all stakeholders & help evaluate financial results of the Company more meaningfully.
- In addition, the proposed merger will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by MVML.
- The proposed corporate restructuring mechanism by way of a scheme of merger by absorption under the provisions of the Act will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of MVML and M&M.



C. Parts of the Scheme:

The Scheme of Merger by Absorption is divided into following three parts:

- (i) **Part I** – Deals with the definitions, interpretations and share capital;
- (ii) **Part II**– Deals with Merger by Absorption of MVML with M&M; and
- (iii) **Part III** – Deals with the dissolution of the Transferor Company and General Clauses, Terms and Conditions applicable to the Scheme.

PART I**DEFINITIONS, INTERPRETATION AND SHARE CAPITAL****1) Definitions and Interpretation**

In this Scheme, unless repugnant to the meaning or context thereof, (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:

- 1.1. 'Act' or 'the Act' means the Companies Act, 2013 and Rules made thereunder including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.2. 'Applicable Law(s)' means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.



- 1.3. **'Appointed Date'** means the 1st day of April, 2019 or such other date as may be directed or approved by the National Company Law Tribunal or any other appropriate authority.
- 1.4. **'Appropriate Authority'** means any governmental, statutory, regulatory, departmental or public body or authority of India including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, the National Company Law Tribunal.
- 1.5. **"Board of Directors" or "Board"** in relation to 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 or individuals authorized for the purposes of matters pertaining to the merger, this Scheme and/or any other matter relating thereto;
- 1.6. **'Effective Date'** means the last of the dates on which the conditions mentioned in Clause 20(a) is obtained or passed or filed, as the case may be.
- 1.7. **"Employees"** means all the employees of the Transferor Company who are on the pay-roll of the Transferor Company as on the Effective Date;
- 1.8. **"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 setoff, 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;

- 1.9. "Governmental Authority" means (i) a national or state 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;
- 1.10. 'Scheme' or 'the Scheme' or 'this Scheme' means this Scheme of Merger by Absorption in its present form as submitted to the Tribunal with any modification(s) made under Clause 23 of the Scheme as approved or directed by the Tribunal or such other competent authority, as may be applicable.
- 1.11. 'SEBI' means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.12. 'SEBI Circular' shall mean the circular issued by the SEBI, being Circular **CFD/DIL3/CIR/2017/21** dated March 10, 2017, and any amendments thereof.
- 1.13. 'Stock Exchanges' means the Bombay Stock Exchange Limited and National Stock Exchange of India Limited;



1.14. 'Tribunal' means the National Company Law Tribunal, Mumbai Bench as constituted and authorized as per the applicable provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 to 240 of the Companies Act, 2013, if applicable.

1.15. "Undertaking" means all the undertakings and entire business, activities and operations of the Transferor Company in India and abroad, as a going concern, including, without limitation:

- a. 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 land whether freehold or leasehold or otherwise, buildings and structures, offices, branches, residential and other premises, capital work-in-progress, machines and equipment, furniture, fixtures, office equipment, computers, information technology equipment, laptops, server, vehicles, 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, investment in subsidiaries), 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, 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 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;

- b. all permits, quotas, rights, entitlements, industrial and other licences, contracts, agreements, bids, tenders, letters of intent, expressions of interest, memorandums of understanding, offer letters, approvals, consents, subsidies, privileges (including Industrial Promotion Subsidy and benefits as per the Eligibility Certificates issued by the Directorate of Industries, Government of Maharashtra and the pending claims filed by MVML, as may be approved by the appropriate authority under the Package scheme of Incentives and exemption), lease rights granted by the Maharashtra Industrial Development Corporation for various leasehold land parcels including any license(s) and approval, if any, other benefits



(including tax benefits), incentives deductions, exemptions, rebates, allowances, amortization, credits (including tax credits and any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies), Minimum Alternate Tax Credit ("MAT Credit"), Foreign Tax Credit, dividend distribution tax, tax deducted at source, tax collected at source and advance income tax payment, entitlement if any, tax losses and exemptions in respect of the profits of the undertaking of the Transferor Company 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 merger pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, the input credit balances (including, State Goods & Service Tax ("SGST"), Integrated Goods and Services Tax ("IGST") and Central Goods and Service Tax ("CGST") credits) under the Goods and Service Tax ("GST") laws, CENVAT/ MODVAT credit balances under Central Excise Act, 1944, sales tax law, duty drawback claims, rebate receivables, refund and advance, all customs duty benefits and exemptions, export and import incentives and benefits or any other benefits/ incentives/ exemptions/ given under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute) 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, whether or not so recorded in the books of accounts of the Transferor Company;



- c. all debts, borrowings, obligations, duties and liabilities, both present and future, current and non-current (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
- d. all trade and service names and marks, patents, copyrights, goodwill, 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 programs, 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.
- e. All staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or compensation or benefits, if any, in the event of resignation, death, voluntary retirement or retrenchment or otherwise.
- f. Any statutory licenses, permissions, registrations or approvals or consents held by the Transferor Company required to carry on the



operations shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company and the benefit of all the statutory and regulatory permissions, environmental approvals and consents, registration or other licenses and consents shall vest in and become available to the Transferee Company as if they were originally obtained by the Transferee Company. In so far as the various incentives, subsidies, rehabilitation scheme, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed by the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.

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

References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.

The headings herein shall not affect the construction of this Scheme.



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.

2) DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form with or without any modification(s) approved or imposed or directed by the Tribunal or any other competent authority, or made as per the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

Any references in the Scheme to 'upon the Scheme becoming effective' or "upon this Scheme becoming effective' or 'effectiveness of the Scheme' shall mean the Effective Date.



3) SHARE CAPITAL

3.1. The share capital of Transferor Company as at March 31, 2019 is as under:

Particulars	Amount (Rupees)
Authorized Capital	
500,00,00,000 equity shares of Rs. 10 each	5000,00,00,000
150,00,00,000 Preference Shares of Rs. 10/- each	1500,00,00,000
Total	6500,00,00,000
Issued, Subscribed and Paid – up Capital	
406,47,23,484 equity shares of Rs.10 each	4064,72,34,840
60,00,00,000 Preference shares of Rs.10 each	600,00,00,000
	46,64,72,34,840

The equity shares of the Transferor Company are not listed on the Stock Exchanges. The entire share capital of the Transferor Company is held beneficially by Transferee Company including six shares jointly held by nominee shareholders. The Transferor Company is a wholly owned subsidiary of Transferee Company.

Subsequent to March 31, 2019 and up to the date of approval of this Scheme by the Board of Transferor Company, there has been no change in the stated capital of Transferor Company.

There are no existing commitments, obligations or arrangements by the Transferor Company as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities.



3.2. The share capital of Transferee Company as at March 31, 2019 is as under:

Particulars	Amount (Rupees)
Authorized Capital	
810,00,00,000 Ordinary (Equity) Shares of Rs. 5 each	4050,00,00,000
25,00,000 Unclassified Shares of Rs. 100 each	25,00,00,000
Total	4075,00,00,000
Issued, Subscribed and Paid – up Capital	
124,31,92,544 Ordinary (Equity) Shares of Rs. 5 each	621,59,62,720
Total	621,59,62,720

The equity shares of the Transferee Company are listed on BSE and NSE. Subsequent to March 31, 2019 and up to the date of approval of this Scheme by the Board of the Transferee Company, there has been no change in the Authorised Share Capital, issued, subscribed and paid-up share capital of the Transferee Company. The Global Depository Receipts (GDRs) of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange. 6,17,40,932 GDRs were outstanding as on 31st March, 2019. The Transferor Company is a wholly owned subsidiary of Transferee Company.

There are no existing commitments, obligations or arrangements by the Transferee Company as on the date of approval of this Scheme by the Board of Directors to issue any further shares or convertible securities.



PART II
MERGER OF MVML WITH M&M

Section 1 – Transfer and vesting

4) Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the entire business and whole of the Undertaking of the Transferor Company 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.

5) Transfer and Vesting of Assets

- a. Without prejudice to the generality of Clause 4 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 230 to 232 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. All immovable properties of the Transferor Company, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise, and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereof.
- c. Without prejudice to the provisions of Clause 5(a) and 5(b) 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 230 to 232 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.

- d. In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause (c) 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 230 to 232 of the Act.
- e. 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 230 to 232 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 or from the date of their acquisition (after the Appointed Date but before the Effective Date) as the case may be, pursuant to the provisions of Sections 230 to 232 of the Act.

- f. Upon the coming into effect of the Scheme, and with effect from the Appointed Date, all the profits or income taxes (including advance tax, tax deducted at source, tax collected at source, Foreign Tax Credits, dividend distribution tax, MAT credit and any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary(ies), all input credit balances (including but not limited to CENVAT/MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the GST laws) or any costs, charges, expenditure accruing to the Transferor Company in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes (namely Advance tax, Tax deducted at source, Tax collected at source, dividend distribution tax & Foreign Tax Credits), tax losses, MAT Credit, dividend distribution tax credit income costs, charges, expenditure or losses of Transferee Company, as the case may be.
- g. All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives (including Industrial Promotion Subsidy and benefits as per the Eligibility Certificates issued by the Directorate of Industries, Government of Maharashtra and the pending claims filed by MVML, as may be approved by the appropriate authority under the Package scheme of Incentives related eligibility and exemption), 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 230 to 232 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 (including the pending claims under Package Scheme of Incentives filed by MVML, as may be approved by the appropriate authority), 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.

6) 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, insurance, letters of Intent, memorandums of understanding, offer letters, undertaking, policies and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which 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 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 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.

7) Transfer and Vesting 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 Tribunal and under the provisions of Sections 230 to 232 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 7.
- b. Where any such debts, liabilities, duties and obligations of the Transferor Company 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 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 230 to 232 of the Act, without any further act, instrument or deed be 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.



8) Encumbrances

- a. The transfer and vesting of the assets comprised in the Undertaking to the Transferee Company under Clause 4, Clause 5 and Clause 6 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 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. Furthermore, no duty (including stamp duty), levy, cess of any nature will be payable by the Transferee Company at the time of transfer of the encumbrance, charge and/or right covered above with respect to the immovable property.
- 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 their respective 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 8 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.



9) Employees of Transferor Company

- a. Upon the coming into effect of this Scheme, all Employees of the Transferor Company in India and abroad shall, become the employees of the Transferee Company, on same terms and conditions and shall not be less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the merger 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 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 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 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.

10) Legal, Taxation and other Proceedings

- a. 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.
- b. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
- c. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.



Section 2 – Conduct of Business

11) From the date on which the Boards of Directors of the Transferor Company and the Transferee Company approve this Scheme until 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. The Transferor Company shall carry on its business and activities with due business prudence and diligence and shall not, without prior written consent of the Transferee Company or pursuant to any preexisting obligation, sell transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with any part of its assets nor incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of business.
- c. all profits and income accruing or arising to the Transferor Company, 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;
- d. 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

- e. all taxes (including, without limitation, income tax, minimum alternate tax, sales tax, service tax, VAT, excise and custom duties, Central Goods and Service Tax law (CGST), State Goods and Service Tax law (SGST) and Integrated Goods and Service Tax law (IGST), foreign taxes, 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, minimum alternate tax, dividend distribution tax, sales tax, service tax, VAT, excise and custom duties, CGST, SGST, IGST, foreign taxes, etc.), whether by way of deduction at source, tax collected at source, advance tax or otherwise howsoever, by the Transferor Company (including any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies) 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.
- f. If and to the extent there are inter-corporate loans, deposits or balances as between the Transferor Company and Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, shall stand cancelled and there shall be no obligation/ outstanding balance in that behalf.



- g. Pending sanction of the Scheme, the Transferor Company shall not, except by way of issue of shares / convertible debentures to the Transferee Company, increase its capital (by fresh issue of shares, convertible debentures or otherwise).
- h. Without prejudice to the provisions of Clauses 4 to 10, 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.
- i. For the avoidance of doubt, it is hereby clarified that nothing in the scheme shall prevent the Transferee Company and / or the Transferor Company from declaring and paying dividends, whether interim or final, to its equity and preference shareholders.
- j. For the avoidance of doubt, it is hereby further clarified that nothing in the scheme shall prevent the Transferee Company from issuance of bonus shares, rights issue, splitting or consolidation of its shares, making investments or undertaking merger or demerger or any other mode of restructuring.

Section 3 – Cancellation of share capital of Transferor Company

- 12) The Transferor Company is a wholly owned subsidiary of Transferee Company. Accordingly, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the Transferor Company (held directly and jointly with the nominee shareholders) and the issued and paid-up capital of the Transferor Company shall stand



cancelled on the Effective Date without any further act, instrument or deed.

Section 4 - Increase in Authorised Share Capital of Transferee Company

- 13) 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, if any, including payment of stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the Transferor Company.
- 14) The capital clause 5 of the Memorandum 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

"5. The Authorised Share Capital of the Company is Rs. 10575,00,00,000 (Rupees Ten Thousand Five Hundred and Seventy Five Crores only) divided into 1810,00,00,000 (One Thousand Eight Hundred and Ten Crore) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees Hundred) each and 150,00,00,000 (One Hundred and Fifty Crore) Preference Shares of the face value of Rs. 10/- (Rupees Ten) each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different



classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation.”

- 15) It is clarified that for the purposes of Clause 13 and 14 above, 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. The Transferee Company shall file requisite forms with the concerned Registrar of Companies.

PART III

DISSOLUTION OF TRANSFEROR COMPANY, GENERAL CLAUSES, TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

16) Accounting and Tax Treatment

a. Applicability of provisions of Income Tax Act

- i. The provisions of this Scheme as they relate to the merger of Transferor Company with Transferee Company has been drawn up to comply with the conditions relating to 'amalgamation' as defined under Section 2(1B) of the (Indian) Income-tax Act, 1961 (hereinafter referred to as Income



Tax Act). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act. Such modification will, however, not affect the other parts of the Scheme.

- ii. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act (including for minimum alternate tax purposes, carry forward and set-off of tax losses and tax benefits), service tax, sales tax, VAT, excise and customs laws, as may be applicable, CGST, SGST, IGST and other tax laws and to claim refunds and/or credits for taxes paid by Transferor Company (including minimum alternate tax, dividend distribution tax and foreign taxes), and to claim tax benefits, under the Income Tax Act including any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies and other tax laws etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.
- iii. 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, dividend distribution tax, set-off and carry forward of accumulated losses, foreign taxes, deferred revenue expenditure, deduction - rebate,



allowance, amortization benefit, etc. including any credit for dividend distribution tax on dividend received by the Transferor Company from Transferor Company's subsidiary/ies under the Income-tax Act, 1961, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India and unutilized CENVAT credit, VAT credit, input tax credit for CGST, SGST and IGST etc shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and unutilized CENVAT credits, VAT credit, CGST, SGST and IGST credits 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, CGST returns, SGST returns, IGST returns and to claim refunds/ credits (including, but not limited to Foreign Tax Credit, dividend distribution tax and minimum alternate tax), pursuant to the provisions of this Scheme.

- iv. The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 16(a)(iii) 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/ dividend distribution tax (including any credit for dividend distribution tax on dividend received by the Transferor Company)/ , foreign taxes and



carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

- v. The withholding tax/ tax collected at source/ advance tax/ minimum alternate tax/ dividend distribution tax, foreign taxes, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute for the period commencing from the Appointed Date shall be deemed to be the tax deducted from/advance tax/ dividend distribution tax, foreign taxes paid by the Transferee Company and credit for such withholding tax/ tax collected at source/ advance tax/minimum alternate tax/ dividend distribution tax, foreign taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/ tax collected at source/ advance tax/ dividend distribution tax/ foreign tax are in the name of the Transferor Company and not in the name of the Transferee Company.
- vi. The service tax, VAT, sales tax, excise and custom duties under the pre – GST regime and in the GST regime, CGST, SGST and IGST paid by the Transferor Company under the Finance Act, 1994 and/ or Central Goods and Service Tax Act, Integrated Goods and Service Tax Act and Union Territory Goods and Service Tax Act 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, sales tax, excise and custom duties, CGST, SGST, IGST paid by the Transferee Company and credit for such service tax CGST, SGST, IGST shall be allowed to the Transferee Company notwithstanding that challans for service tax payments, CGST payment, SGST payment, IGST payment are in the name of the Transferor Company and not in the name of the Transferee Company.



b. Accounting Treatment

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

Accordingly, the Transferor Company and Transferee Company both being entities under common control, the accounting would be done at book values as on the Appointed Date for all the assets and liabilities acquired by the Transferee Company of the Transferor Company by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations'.

If the approval of NCLT for the scheme of merger is received after the balance sheet date but before the approval of the financial statements for issue by the Board of Directors, it shall be treated as an adjusting event under Ind AS 10 – 'Events after the Reporting Period' and shall be given effect to in the financial statements with effect from the Appointed Date.

17) 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



deemed to have authorized any Director of the Transferee Company or such other person(s) as authorized by any two Directors of the Transferee Company to do all acts, deeds, things as may be necessary to give effect to these Resolutions, without any further acts to be done by 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.

Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 180 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.

18) Savings of concluded transactions

The transfer and vesting of undertaking under Clause 4 above and the continuance of proceedings by or against the Transferee Company under clause 10 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till 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 Company in respect thereto, as if done and executed on its behalf.



19) Dissolution of the Transferor Company

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

20) Conditionality to the scheme

- a. The effectiveness of the Scheme is conditional upon and subject to:
 - i. The requisite sanction or approval from Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Director, Official Liquidator as may be applicable or as may be directed by the Tribunal.
 - ii. The scheme being approved by Directorate of Industries under the Package Scheme of Incentives as notified by the Government of Maharashtra resolution.
 - iii. Approval of Maharashtra Industrial Development Corporation for the transfer of leasehold land parcels from Transferor Company to Transferee Company pursuant to this Scheme, if applicable.
 - iv. this Scheme being approved by the respective requisite majorities of the various classes of shareholders of the Transferor Company and the Transferee Company if required under the Act and/ or as may be directed by the Tribunal and the requisite orders of the Tribunal being obtained;



- v. The certified copy of the order of the Tribunal under Section 230 to 232 and other applicable provisions of the Act sanctioning the scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by the Transferor and Transferee Companies.
- b. On the approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company, if required, 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 merger set out in this Scheme, related matters and this Scheme itself.

21) Effect of Non Receipt of Approvals/Sanctions

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the Appropriate Authority and / or the Order not being passed as aforesaid within such period or periods as may be agreed upon between the Transferor Company and the Transferee Company by their Board of Directors (and which the Board of Directors of the Transferor Company and Transferee Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) failing which this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

If any part of this Scheme hereof is invalid, held illegal or unenforceable, under any present or future laws, then it is the intention of the parties that such part



shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

22) Applications

Transferor Company and the Transferee Company, if required shall, with all reasonable dispatch, make applications/ petitions to the Tribunal under Section 230 to 232 and other applicable provisions, of the Act, for sanctioning of this Scheme.

The Transferor Company shall take all necessary steps for sanctioning of this Scheme and for its dissolution without winding up, and apply for and obtain such other approvals, if any, required under the law.

23) Modifications or amendments to the Scheme

- a) The Transferor Company and the Transferee Company, through their respective Board of Directors, may assent from time to time on behalf of all the persons concerned to any modifications or amendments or additions to this Scheme subject to approval of the Tribunal or to any conditions or limitations which the Tribunal and/or any other competent authorities, if any, under the law may deem fit and approve of or impose and which the Transferor Company 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 and do and execute all acts, deeds, matters and things



necessary for bringing this Scheme into effect. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards of Directors, a Committee of the concerned Board or any Director or Company Secretary or any other officer, authorized in that behalf by the concerned Board of Directors (hereinafter referred to as the 'delegate').

- b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferor Company or 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.

24) 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 Company 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.



IN THE NATIONAL COMPANY LAW TRIBUNAL
COURT-V, MUMBAI BENCH

C.P.(CAA)/24/MB/2022

Connected with

C.A.(CAA)/206/MB/2021

In the matter of

the Companies Act, 2013

And

In the matter of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder

And

In the matter of

Scheme of Merger by Absorption involving merger between Mahindra Engineering and Chemical Products Limited ("First Transferor Company" or "MECPL")

and Retail Initiative Holdings Limited ("Second Transferor Company" or "RIHL") and Mahindra Retail Limited ("Third Transferor Company" or "MRL") with Mahindra and Mahindra Limited ("Transferee Company" or "M&M") and their respective Shareholders ('Scheme')

Mahindra Engineering and Chemical Products Limited ...First Transferor Company /
CIN: U74999MH1954PLC019908 First Petitioner Company

Retail Initiative Holdings Limited ...Second Transferor Company /
CIN: U67110MH2008PLC188837 Second Petitioner Company

Mahindra Retail Limited ...Third Transferor Company /



C.P.(CAA)/24/MB/2022
connected with
C.A.(CAA)/206/MB/2021

CIN: U52190MH2007PLC173762

Third Petitioner Company

Mahindra and Mahindra Limited

... Transferee Company /

CIN: L65990MH1945PLC004558

Fourth Petitioner Company

(Hereinafter to be referred as 'Petitioner Companies')

Order delivered on: **24.03.2022**

Coram:

Hon'ble Smt. Suchitra Kanuparthi, Member (Judicial)

Hon'ble Smt. Anuradha Sanjay Bhatia, Member (Technical)

Appearances (via videoconferencing):

For the Petitioners : Mr. Hemant Sethi, Ms Vidisha Poonja
i/b Hemant Sethi & Co., Advocates

For the Regional Director (WR) : Ms. Rupa Sutar, Deputy Director

ORDER

Per: Suchitra Kanuparthi, Member (Judicial)

1. The Court is convened by videoconference today.
2. Heard Learned Counsel for the First Petitioner Company, the Second Petitioner Company, the Third Petitioner Company and the Fourth Petitioner Company (collectively referred to as 'Petitioner Companies'). No objector has come before the Tribunal to oppose the petition and nor has any party controverted any averments made in the petition.
3. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and in the matter of Scheme of Merger by Absorption of Mahindra Engineering and Chemical Products Limited & the First Transferor Company / the First Petitioner Company'), Retain Initiative Holdings



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Limited ('the Second Transferor Company / the Second Petitioner Company'), Mahindra Retail Limited ('the Third Transferor Company / the Third Petitioner Company') (together referred as 'Transferor Companies') with Mahindra and Mahindra Limited ('the Transferee Company / the Fourth Petitioner Company') and their respective shareholders ('Scheme').

4. Learned Counsel for the Petitioner Companies submits that the Transferor Companies are direct/ indirect wholly owned subsidiaries of the Fourth Petitioner Company / Transferee Company and entire share capital of these Transferor Companies is directly/ indirectly owned and controlled by the Fourth Petitioner Company / Transferee Company, hence no consideration shall be discharged by the Transferee Company pursuant to the merger of the Transferor Companies.
5. Learned Counsel for the Petitioner Companies submits that the Petitioner Companies are involved in the following business activities:

I. The First Transferor Company / The First Petitioner Company

The First Petitioner Company is currently engaged in trading business of non-core products such as apparels, stationery items, gift cards, IT products, vouchers, covid safety products, etc. delivering cost effective products to the organizations. It is a wholly- owned subsidiary of the Fourth Petitioner Company.

II. The Second Transferor Company / The Second Petitioner Company

The Second Petitioner Company does not carry any business operations but holds a 53.38% stake in the Third Petitioner Company. It is a direct wholly-owned subsidiary of the First Petitioner Company and indirect wholly-owned subsidiary of the Fourth Petitioner Company.

III. The Third Transferor Company / The Third Petitioner Company

The Third Petitioner Company does not carry any business operations and it holds a minority stake in Brainbees Solutions Private Limited. The First Petitioner Company



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and Second Petitioner Company holds 46.62% and 53.38%, respectively in Third Petitioner Company. Accordingly, it is indirect wholly owned subsidiary of the Fourth Petitioner Company.

IV. The Transferee Company / The Fourth Petitioner Company

The Fourth Petitioner Company is inter alia engaged in the business of manufacture and sale of tractors, general- purpose utility vehicles, light commercial vehicles, three-wheelers and trucks and buses. The equity shares of the Fourth Petitioner Company are listed on the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'). The Global Depository Receipts (GDRs) of the Fourth Petitioner Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange. It is the direct/ indirect holding company of the Transferor Companies.

6. The share capital of the First Transferor Company as on 31st March, 2021 is as under:

Particulars	Amount (Rupees)
Authorised Capital	
11,85,00,000 equity shares of Rs. 10 each	118,50,00,000
Total	118,50,00,000
Issued, Subscribed and Paid – up Capital	
11,77,93,038 equity shares of Rs. 10 each	117,79,30,380
Total	117,79,30,380

The equity shares of the First Transferor Company are not listed on the Stock Exchanges. The entire share capital of the First Transferor Company is held beneficially by the Transferee Company including shares jointly held with its nominee shareholders. Accordingly, the First Transferor Company is a wholly owned subsidiary of the Transferee Company.



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7. The share capital of the Second Transferor Company as on 31st March, 2021 is as under:

Particulars	Amount (Rupees)
Authorised Capital	
2,10,00,000 equity shares of Rs. 10 each	21,00,00,000
Total	21,00,00,000
Issued, Subscribed and Paid – up Capital	
2,05,50,000 equity shares of Rs. 10 each	20,55,00,000
Total	20,55,00,000

The equity shares of the Second Transferor Company are not listed on the Stock Exchanges. The entire share capital of the Second Transferor Company is held beneficially by First Transferor Company including shares jointly held with its nominee shareholders. The Second Transferor Company is a direct wholly owned subsidiary of the First Transferor Company and indirect wholly owned subsidiary of the Transferee Company.

Subsequent to 31st March, 2021 and up to the date of approval of this Scheme by the Board of the Second Transferor Company, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Second Transferor Company.

There are 49,44,053 Zero Coupon Unsecured Compulsorily Fully Convertible Debentures of Rs. 1,000 each issued by the Second Transferor Company, as on the date of sanction of this Scheme by the Board of Directors. Each debenture is convertible into 100 equity shares of Rs. 10 each to be issued at par at the option of the debenture holders. The aforesaid debentures are beneficially held by the First Transferor Company.

8. The share capital of the Third Transferor Company as on 31st March, 2021 is as under:



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Particulars	Amount (Rupees)
Authorised Capital	
96,70,00,000 equity shares of Rs. 10 each	967,00,00,000
Total	967,00,00,000
Issued, Subscribed and Paid – up Capital	
96,16,63,236 equity shares of Rs. 10 each	961,66,32,360
Total	961,66,32,360

The equity shares of the Third Transferor Company are not listed on the Stock Exchanges. The entire share capital of the Third Transferor Company is held beneficially by the First Transferor Company including shares jointly held with its nominee shareholders and the Second Transferor Company (being 46.62% and 53.38% stake respectively). Accordingly, the First Transferor Company holds directly and indirectly the entire share capital of the Third Transferor Company. Also, the Third Transferor Company's 100% equity shares are indirectly held by the Transferee Company.

9. The share capital of the Transferee Company as on 31st March, 2021 is as under:

Particulars	Amount (Rupees)
Authorised Capital	
8,10,00,00,000 Ordinary (Equity) Shares of Rs. 5 each	40,50,00,00,000
25,00,000 Unclassified Shares of Rs. 100 each	25,00,00,000
Total*	40,75,00,00,000
Issued, Subscribed and Paid – up Capital	
124,31,92,544 Ordinary (Equity) Shares of Rs. 5 each	621,59,62,720



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Total	621,59,62,720
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* Upon the MVML Scheme becoming effective, the Authorised Share Capital of the Transferee Company shall be increased to Rs. 10,575,00,00,000 (Rupees Ten Thousand Five Hundred and Seventy Five Crores only) divided into 18,10,00,00,000 (One Thousand Eight Hundred and Ten Crores) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each, 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees One Hundred) each and 150,00,00,000 (One Hundred and Fifty Crores) Preference Shares of Rs. 10 (Rupees Ten) each.

Further, in case both MVML Scheme and MEML Scheme becomes effective prior to the Effective Date, the Authorised Share Capital of the Transferee Company shall be increased to Rs. 11,575,00,00,000 (Rupees Eleven Thousand Five Hundred and Seventy Five Crores only) divided into 2,010,00,00,000 (Two Thousand and Ten Crores) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each, 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees One Hundred) each and 150,00,00,000 (One Hundred and Fifty Crores) Preference Shares of Rs. 10 (Rupees Ten) each.

The equity shares of the Transferee Company are listed on BSE and NSE. Subsequent to 31st March, 2021 and up to the date of approval of this Scheme by the Board of the Transferee Company, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company. The Global Depository Receipts ('GDRs') of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange. 3,58,41,803 GDRs were outstanding as on 31st March, 2021.

The First Transferor Company is a wholly owned subsidiary of Transferee Company. The Transferee Company is the ultimate holding company of the Second Transferor Company and Third Transferor Company.



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10. Learned Counsel for the Petitioner Companies submits that the rationale mentioned in the Scheme is as under:

- *The merger of the Transferor Companies into Transferee Company will result in operational synergies resulting in cost optimization;*
- *The Scheme will also achieve rationalization of costs by simplification of management structure leading to better administration and cost savings;*
- *It is also the intention of the Transferee Company management to rationalize the group holding structure by way of reduction in the number of entities and streamline the structure of Transferee Company;*
- *The proposed merger will also simplify the financial reporting to all stakeholders & help evaluate financial results of Transferee Company more meaningfully;*
- *In addition, the proposed Scheme will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by Transferor Companies;*
- *The proposed corporate restructuring mechanism by way of a scheme of merger by absorption under the provisions of the Act will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of Transferor Companies and Transferee Company.*

6. Learned Counsel for the Petitioner Companies states that resolutions were passed by the Board of Directors of the Petitioner Companies in their respective meetings held on 28th May 2021 for approving the Scheme and thereafter they have approached the Tribunal for sanction of the Scheme. The Appointed Date fixed under the Scheme is 1st April 2021.

7. Learned Counsel for the Petitioner Companies submits that the Company Petition has been filed in consonance with the order passed in Company Scheme Application C.A. (CAA) 206/MB/2021 on 26th November 2021 and the Petitioner Companies have complied with all the requirements as per the directions of this Tribunal.



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8. The Regional Director has filed its Report dated 11th March 2022 ("Report") praying that this Tribunal may pass such orders as it thinks fit, save and except as stated in Paragraphs IV (a) to (i). The observations of Regional Director and the replies given by Petitioner Companies vide Affidavit-in-Rejoinder dated 12th March 2022 are as follows:

Para	Observation by the Regional Director	Undertaking of the Petitioner Companies
	<i>In compliance of AS-14 (IND AS – 103) the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8), etc.</i>	As far as observation made in paragraph IV (a) of the Report of Regional Director is concerned, the Transferee Company undertakes that in addition to compliance of AS-14 (IND AS-103), the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8), etc.
	<i>As per Definition of the Scheme, "Appointed Date" means the 1st day of April, 2021 or such other date as may be directed or approved by the National Company Law Tribunal or any other Appropriate Authority and; "Effective Date" means the last of the dates on which certified copy of the order of the National Company Law Tribunal is filed with the Registrar of Companies, Mumbai by the Transferor</i>	As far as the observation of the Regional Director, as stated in paragraph IV (b) is concerned, the Petitioner Companies, submits that as per Clause 1.3 of the Scheme, the Appointed Date means the 1st day of April, 2021 or such other date as may be directed or approved by the National Company Law Tribunal or any other Appropriate Authority. Further, as per Clause 1.6 of the Scheme, the Effective Date means the last of the dates on which certified



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<p><i>Companies and Transferee Company.</i></p> <p><i>In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.</i></p> <p><i>Further, the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>	<p>copy of the order of the National Company Law Tribunal is filed with the Registrar of Companies, Mumbai by the Transferor Companies and Transferee Company.</p> <p>The same therefore, meets the requirements clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</p>
<p><i>Petitioner Company have to undertake to comply with section 232(3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its</i></p>	<p>As far as the observation of the Regional Director, as stated in paragraph IV (c) is concerned, the Petitioner Companies, undertake to comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 and the Transferee Company undertakes to pay difference of filing fees</p>



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	<p><i>authorised capital subsequent to the amalgamation and also to pay difference of filing fees and stamp duty on increasing authorized capital.</i></p>	<p>and stamp duty, if any, on increasing authorized capital.</p>
	<p><i>Clause 17 (b) of Accounting Treatment of the scheme; stated that notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date In this regard it is stated that per Accounting Standard 14, such surplus/deficit if any arising out of the scheme should be credited/debited to the Capital Reserve/goodwill arising out of amalgamation. Such Capital Reserve, arising out of the</i></p>	<p>As far as the observation of the Regional Director, as stated in paragraph IV (e) is concerned, the Transferee Company, undertakes that the surplus shall be credited to Capital Reserve Account arising out of amalgamation and the deficit shall be adjusted to Retained Earnings or General Reserves and not in Goodwill account, which is in accordance with the applicable Indian accounting standards i.e Appendix C of IND AS 103 for the Transferee Company. Further, Transferee Company also undertakes that, the Capital Reserves so created shall not be considered as free reserve and shall not be available for distribution of dividend.</p>



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	<i>amalgamation shall not be considered as free reserve and not available for distribution of dividend.</i>	
	<i>It is observed that the Transferee Company is a listed company, therefore, the petitioner company may be directed to place on record whether the prior notice was served to NSE, BSE & SEBI and objection received thereon if any.</i>	As far as the observation of the Regional Director, as stated in paragraph IV (g) is concerned, the Transferee Company, submits that the Transferee Company is not required to obtain prior approval / no objection letter from SEBI and the recognised stock exchanges since it is a merger of direct/ indirect wholly owned subsidiaries with the holding company. Further, the Transferee Company has served notice under section 230(5) of the Companies Act, 2013 upon the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited and no observations have been received by the Transferee Company from the said authorities.
	<i>The Petitioner Company states that the Transferee Company has stated that it has complied with provisions of Section 2(1B) of the Income Tax Act, 1961. In this regards, the petitioner company shall ensure compliance of</i>	As far as the observation of the Regional Director, as stated in paragraph IV (f) is concerned, the Petitioner Companies, undertake to comply with the provisions of Section 2(1B) of the Income Tax Act, 1961 and all other applicable provisions of



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	<i>all the provisions of Income Tax Act and Rules thereunder;</i>	the Income Tax Act, 1961 and Rules thereunder.
	<i>It is observed that the Transferee Company is having non residential Shareholders/foreign shareholders, therefore, petitioner company may be directed to comply with the provisions of FEMA and RBI guidelines.</i>	Petitioner Companies clarify that the Transferor Companies are direct/indirect subsidiaries of the Transferee Company therefore, there shall be no issue and allotment of shares, the entire share capital of the Transferor Companies shall stand cancelled accordingly, provisions of FEMA regulations/RBI Guidelines shall not apply.
	<i>The Hon'ble Tribunal may hereby kindly consider the report of ROC as narrated in Para III(10) above, in this regard, the petitioner company may be directed to submit full facts about complaint which is filed for non-receipt of money/matured amount and current status of the complaints and the 2nd Applicant company does not have any business than the petitioner company may be directed to submit as to why the said company should be merged with transferee company instead of strike off u/s. 248 of the Companies Act, 2013.</i>	As far as the observation of the Regional Director, as stated in paragraph IV (i) is concerned, the Petitioner Companies, states that the complaints are against the Transferee Company, which will continue to exist post the Scheme and the Transferee Company undertakes that it will resolve all the complaints that are pending against it and which it is aware of, in accordance with the law in due course of time. Further, though the Second Petitioner Company does not have any active business but it has assets and liabilities and does not meet the pre-requisite for strike off under section 248(2) of the Companies Act, 2013 which states that all the liabilities should be extinguished before making an application for



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		<p>strike off. Hon'ble High Court of Bombay in the matter of Tatanet Services Ltd. in Company Petition No. 758 of 2005 connected with Company Application No. 540 of 2005 held as under:</p> <p><i>"The only objection raised by the Regional Director is that the Petition under Sections 391 and 394 of the Companies Act is not necessary and the Petitioners can avail of the provisions of Section 393(1)(a) of the Companies Act. That such order can be passed in an application under Sections 391 and 394 of the Companies Act is not in dispute. If the Petitioners have chosen a more elaborate route, they cannot be faulted for the same."</i></p> <p>Accordingly, relying on the aforesaid decision of jurisdictional High Court, it is at the discretion of the Second Petitioner Company to choose merger instead of strike off. Also, the holding company (i.e. First Petitioner Company) and subsidiary company (i.e. Third Petitioner Company) of the Second Petitioner Company are part of the Scheme, hence merger is more efficient instead of separate strike off process.</p>
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12. The clarifications and undertakings given by the Petitioner Companies are accepted by this Tribunal.
13. The Official Liquidator in his report dated 4th February 2022, after considering the responses submitted by the Transferor Companies, has stated that the affairs of the Transferor Companies have been conducted in a proper manner and not prejudicial to the interest of its members or to the public interest and there are no instances of Misapplication/Misappropriation and breach of trust on the part of the management.
14. 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.
15. Since all the requisite statutory compliances have been fulfilled, C.P. (CAA) 24/MB/2022 is made absolute in terms of the prayer clauses of the said Company Scheme Petition.
16. The Scheme is hereby sanctioned, with the Appointed Date 1st April 2021.
17. The Transferor Companies be dissolved without winding up.
18. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically along with E-Form INC-28 within 30 days from the date of receipt of the certified copy of Order by the Petitioner Companies.
19. The Petitioner Companies to lodge a copy of this Order along with the Scheme duly certified by the Designated Registrar of this Tribunal with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified Order from the Registry of this Tribunal.



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20. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Designated Registrar of this Tribunal.
21. Any person interested is at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.
22. Any concerned Authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.
23. Ordered accordingly.

Sd/-

ANURADHA SANJAY BHATIA
Member (Technical)

Sd/-

SUCHITRA KANUPARTHI
Member (Judicial)

Certified True Copy _____
Date of Application 24.03.2022
Number of Pages 16
Fee Paid Rs. 80
Applicant's 12.04.2022
Copy pre- 12.04.2022
Copy iss. 12.04.2022

R.S. Sonawane
Deputy Registrar 11.6.2022
National Company Law Tribunal, Mumbai Bench



Annexure F
001353

Scheme of Merger by Absorption
of
Mahindra Engineering and Chemical Products Limited.... First Transferor Company
AND
Retail Initiative Holdings Limited Second Transferor Company
AND
Mahindra Retail Limited Third Transferor Company
WITH
Mahindra and Mahindra Limited Transferee Company
AND
their respective shareholders
Under Sections 230 to 232 and other applicable
provisions of the Companies Act, 2013 and Rules framed thereunder

This Scheme of Merger by Absorption ('Scheme') is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification or re-enactment or amendment thereof), as may be applicable, for the merger of Mahindra Engineering and Chemical Products Limited ('First Transferor Company' or 'MECPL'), Retail Initiative Holdings Limited ('Second Transferor Company' or 'RIHL') and Mahindra Retail Limited ('Third Transferor Company' or 'MRL') (together referred as 'Transferor Companies') with Mahindra and Mahindra Limited ('Transferee Company' or 'M&M') and their respective shareholders.

A. Description of the Companies:

Transferor Companies

- a. **Mahindra Engineering and Chemical Products Limited**, is a public limited company incorporated on 7th June, 1954 under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400001, India [CIN: U74999MH1954PLC019908]. MECPL is currently engaged in trading business of non-core products such as apparels, stationery items, gift cards, IT products, vouchers, covid safety products, etc. delivering cost effective products to the organizations. The shares of MECPL are not listed on any stock exchange and it is a wholly owned subsidiary of the Transferee Company. It holds 46.62% stake in the Third Transferor Company.

- b. **Retail Initiative Holdings Limited**, is a public limited company incorporated on 11th



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December, 2008 under Companies Act, 1956 having its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018, India [CIN: U67110MH2008PLC188837]. It does not carry any business operations but holds a 53.38% stake in the Third Transferor Company. The shares of RIHL are not listed on any stock exchange and it is a wholly owned subsidiary of the First Transferor Company.

- c. **Mahindra Retail Limited**, is a public limited company incorporated on 3rd September, 2007 under Companies Act, 1956 having its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400018, India [CIN: U52190MH2007PLC173762]. MRL was converted from a private limited company to a public limited company effective 6th April, 2018 and the name was changed to its current name 'Mahindra Retail Limited'. Currently, MRL does not carry any business operations and it holds a minority stake in Brainbees Solutions Private Limited. The shares of MRL are not listed on any stock exchange. The First Transferor Company and Second Transferor Company holds 46.62% and 53.38% equity shares, respectively in the Third Transferor Company.

Transferee Company

- d. **Mahindra and Mahindra Limited**, is a public limited company incorporated on 2nd October, 1945 under the Indian Companies Act, VII of 1913 having its registered office at Gateway Building, Apollo Bunder, Mumbai - 400001, Maharashtra, India [CIN: L65990MH1945PLC004558]. The Transferee Company is inter alia, engaged in the business of manufacture and sale of tractors, general-purpose utility vehicles, light commercial vehicles, three-wheelers and trucks and buses. The equity shares of the Transferee Company are listed on the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'). The Global Depository Receipts ('GDRs') of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange.

B. Rationale of the Scheme:

The objects/ rationale of the proposed Scheme is as under:

- The merger of the Transferor Companies into M&M will result in operational synergies resulting in cost optimization;
- The Scheme will also achieve rationalization of costs by simplification of management structure leading to better administration and cost savings;
- It is also the intention of the M&M management to rationalize the group holding



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structure by way of reduction in the number of entities and streamline the structure of M&M;

- The proposed merger will also simplify the financial reporting to all stakeholders & help evaluate financial results of M&M more meaningfully;
- In addition, the proposed Scheme will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by Transferor Companies;
- The proposed corporate restructuring mechanism by way of a scheme of merger by absorption under the provisions of the Act will be beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of MECPL, RIHL, MRL and M&M.

C. Parts of the Scheme:

The Scheme of Merger by Absorption is divided into following three parts:

- Part I** – Deals with the definitions, interpretation and share capital;
- Part II** – Deals with Merger by Absorption of MECPL, RIHL and MRL with M&M; and
- Part III** – Deals with the dissolution of the Transferor Companies and General Clauses, Terms and Conditions applicable to the Scheme.



PART I**DEFINITIONS, INTERPRETATION AND SHARE CAPITAL****1) Definitions and Interpretation**

In this Scheme, unless repugnant to the meaning or context thereof, (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:

- 1.1. **"Act" or "the Act"** means the Companies Act, 2013 and Rules made thereunder including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.2. **"Applicable Law(s)"** means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions having force of law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.
- 1.3. **"Appointed Date"** means the 1st day of April, 2021 or such other date as may be directed or approved by the National Company Law Tribunal or any other Appropriate Authority.
- 1.4. **"Appropriate Authority"** means (i) the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof; (ii) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; (iii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) the Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Director, the National Company Law Tribunal and Official Liquidator.
- 1.5. **"Board of Directors" or "Board"** in relation to 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 authorized or individuals authorized for the purposes of matters pertaining to the merger, this Scheme and/or any other matter relating



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thereto.

- 1.6. **"Effective Date"** means the last of the dates on which certified copy of the order of the National Company Law Tribunal is filed with the Registrar of Companies, Mumbai by the Transferor Companies and Transferee Company.
- 1.7. **"Employees"** means staff and employees, if any, of the Transferor Companies who are on the payroll of the Transferor Companies as on the Effective Date.
- 1.8. **"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.
- 1.9. **"Governmental Authority"** means any applicable national, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial, quasi-judicial or arbitral body in India.
- 1.10. **"MEML Scheme"** means Scheme of Merger by Absorption of Mahindra Electric Mobility Limited with the Transferee Company and their respective shareholders, as approved by the Board of Directors of the Transferee Company on 28th May, 2021.
- 1.11. **"MVML Scheme"** means Scheme of Merger by Absorption of Mahindra Vehicle Manufacturers Limited with Transferee Company and their respective shareholders which has been approved by NCLT basis its Pronouncement of Order on 26th April, 2021.
- 1.12. **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Merger by Absorption in its present form as submitted to the Tribunal with any modification(s) made under Clause 24 of the Scheme as approved or directed by the Tribunal or such other competent authority, as may be applicable.



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- 1.13. "Stock Exchanges" means the BSE Limited and National Stock Exchange of India Limited.
- 1.14. "Tribunal" or "National Company Law Tribunal" or "NCLT" means the National Company Law Tribunal, Mumbai Bench as constituted and authorized as per the applicable provisions of the Act for approving any scheme of arrangement, compromise, or reconstruction of companies under the Act.
- 1.15. "Undertaking" means all the undertakings and entire business, activities, and operations of the Transferor Companies in India and abroad, as a going concern, including, without limitation:
- 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 Companies, if any, whether situated in India or abroad, including, without limitation, all land whether freehold or leasehold or otherwise, all buildings and structures including residential flat owned by MECPL situated at Flat 901, 9th Floor, Mahindra Heights Co-operative Housing Society Limited, 96 Tardeo Road, Next to AC Market, Tardeo, Mumbai - 400034, offices, branches, residential and other premises, machines and equipment, furniture, fixtures, office equipment, computers, information technology equipment, laptops, server, vehicles, 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, investments in subsidiaries), 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 Companies, 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, 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

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

- b. all permits, quotas, rights, entitlements, industrial and other licenses, contracts, agreements, bids, tenders, letters of intent, expressions of interest, memorandums of understanding, offer letters, approvals, consents, subsidies, if any, other benefits (including tax benefits), incentives deductions, exemptions, rebates, allowances, amortization, credits (including tax credits and any credit for dividend distribution tax on dividend received by the Transferor Companies from their subsidiary/ies), Minimum Alternate Tax Credit ('MAT Credit'), foreign tax credit, dividend distribution tax, tax deducted at source, tax collected at source and advance income tax payment, entitlement if any, tax losses and exemptions in respect of the profits of the undertaking of the Transferor Companies 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 merger pursuant to this Scheme does not take place, deferred tax assets, all other rights including sales tax deferrals and exemptions and other benefits, the input credit balances (including, State Goods & Service Tax ('SGST'), Integrated Goods and Services Tax ('IGST') and Central Goods and Service Tax ('CGST') credits) under the Goods and Service Tax ('GST') laws, CENVAT/ MODVAT credit balances under Central Excise Act, 1944, sales tax law, duty drawback claims, rebate receivables, refund and advance, all customs duty benefits and exemptions, export and import incentives and benefits or any other benefits/ incentives/ exemptions/ given under any policy announcements issued or promulgated by the government of India or state government or any other government body or authority or any other like benefits under any statute)-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 Companies, whether or not so recorded in the books of accounts of the Transferor Companies;
- c. all debts, borrowings including debentures, obligations, duties and liabilities, both present and future, current and non-current (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,



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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 Companies;

- d. all trade and service names and marks, patents, copyrights, goodwill, 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 programs, 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 Companies;
- e. All Employees and other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to its employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or compensation or benefits, if any, in the event of resignation, death, voluntary retirement or retrenchment or otherwise; and
- f. Any statutory licenses, permissions, registrations or approvals or consents held by the Transferor Companies required to carry on the operations shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company and the benefit of all the statutory and regulatory permissions, environmental approvals and consents, registration or other licenses and consents shall vest in and become available to the Transferee Company as if they were originally obtained by the Transferee Company. In so far as the various incentives, subsidies, rehabilitation scheme, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed by the Transferor Companies, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to the Transferor Companies, as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the Transferee Company.

All the terms, words, expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the



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same meaning ascribed to them under the Act and other Applicable Law.

In this Scheme, 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. references to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- v. the headings herein shall not affect the construction of this Scheme.
- vi. references to the word "include" or "including" shall be construed without limitation.

2) DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form with or without any modification(s) approved or imposed or directed by the Tribunal or any other competent authority, or made as per the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date. Any references in the Scheme to 'upon the Scheme becoming effective' or 'upon this Scheme becoming effective' or 'effectiveness of the Scheme' shall mean the Effective Date.

3) SHARE CAPITAL

3.1. The share capital of the First Transferor Company as on 31st March, 2021 is as under:

Particulars	Amount (Rupees)
Authorised Capital	
11,85,00,000 equity shares of Rs. 10 each	118,50,00,000
Total	118,50,00,000
Issued, Subscribed and Paid – up Capital	



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11,77,93,038 equity shares of Rs. 10 each	117,79,30,380
Total	117,79,30,380

The equity shares of the First Transferor Company are not listed on the Stock Exchanges. The entire share capital of the First Transferor Company is held beneficially by the Transferee Company including shares jointly held with its nominee shareholders. Accordingly, the First Transferor Company is a wholly owned subsidiary of the Transferee Company.

Subsequent to 31st March, 2021 and up to the date of approval of this Scheme by the Board of the First Transferor Company, there has been no change in the authorised, issued, subscribed and paid-up share capital of the First Transferor Company.

There are no existing commitments, obligations or arrangements by the First Transferor Company as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities.

3.2. The share capital of the Second Transferor Company as on 31st March, 2021 is as under:

Particulars	Amount (Rupees)
Authorised Capital	
2,10,00,000 equity shares of Rs. 10 each	21,00,00,000
Total	21,00,00,000
Issued, Subscribed and Paid – up Capital	
2,05,50,000 equity shares of Rs. 10 each	20,55,00,000
Total	20,55,00,000

The equity shares of the Second Transferor Company are not listed on the Stock Exchanges. The entire share capital of the Second Transferor Company is held beneficially by First Transferor Company including shares jointly held with its nominee shareholders. The Second Transferor Company is a direct wholly owned subsidiary of the First Transferor Company and indirect wholly owned subsidiary of the Transferee Company.

Subsequent to 31st March, 2021 and up to the date of approval of this Scheme by the Board of the Second Transferor Company, there has been no change in the authorised, issued,



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subscribed and paid-up share capital of the Second Transferor Company.

There are 49,44,053 Zero Coupon Unsecured Compulsorily Fully Convertible Debentures of Rs. 1,000 each issued by the Second Transferor Company, as on the date of sanction of this Scheme by the Board of Directors. Each debenture is convertible into 100 equity shares of Rs. 10 each to be issued at par at the option of the debenture holders. The aforesaid debentures are beneficially held by the First Transferor Company.

Apart from the aforementioned Debentures, there are no existing commitments, obligations or arrangements by the Second Transferor Company as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities.

3.3. The share capital of the Third Transferor Company as on 31st March, 2021 is as under:

Particulars	Amount (Rupees)
Authorised Capital	
96,70,00,000 equity shares of Rs. 10 each	967,00,00,000
Total	967,00,00,000
Issued, Subscribed and Paid – up Capital	
96,16,63,236 equity shares of Rs. 10 each	961,66,32,360
Total	961,66,32,360

The equity shares of the Third Transferor Company are not listed on the Stock Exchanges. The entire share capital of the Third Transferor Company is held beneficially by the First Transferor Company including shares jointly held with its nominee shareholders and the Second Transferor Company (being 46.62% and 53.38% stake respectively). Accordingly, the First Transferor Company holds directly and indirectly the entire share capital of the Third Transferor Company. Also, the Third Transferor Company's 100% equity shares are indirectly held by the Transferee Company.

Subsequent to 31st March, 2021 and up to the date of approval of this Scheme by the Board of the Third Transferor Company, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Third Transferor Company.



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There are no existing commitments, obligations or arrangements by the Third Transferor Company as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities.

3.4. The share capital of the Transferee Company as on 31st March, 2021 is as under:

Particulars	Amount (Rupees)
Authorised Capital	
8,10,00,00,000 Ordinary (Equity) Shares of Rs. 5 each	40,50,00,00,000
25,00,000 Unclassified Shares of Rs. 100 each	25,00,00,000
Total*	40,75,00,00,000
Issued, Subscribed and Paid – up Capital	
124,31,92,544 Ordinary (Equity) Shares of Rs. 5 each	621,59,62,720
Total	621,59,62,720

* Upon the MVML Scheme becoming effective, the Authorised Share Capital of the Transferee Company shall be increased to Rs. 10,575,00,00,000 (Rupees Ten Thousand Five Hundred and Seventy Five Crores only) divided into 18,10,00,00,000 (One Thousand Eight Hundred and Ten Crores) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each, 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees One Hundred) each and 150,00,00,000 (One Hundred and Fifty Crores) Preference Shares of Rs. 10 (Rupees Ten) each.

Further, in case both MVML Scheme and MEML Scheme becomes effective prior to the Effective Date, the Authorised Share Capital of the Transferee Company shall be increased to Rs. 11,575,00,00,000 (Rupees Eleven Thousand Five Hundred and Seventy Five Crores only) divided into 2,010,00,00,000 (Two Thousand and Ten Crores) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each, 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees One Hundred) each and 150,00,00,000 (One Hundred and Fifty Crores) Preference Shares of Rs. 10 (Rupees Ten) each.

The equity shares of the Transferee Company are listed on BSE and NSE. Subsequent to 31st March, 2021 and up to the date of approval of this Scheme by the Board of the Transferee



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Company, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company. The Global Depository Receipts ('GDRs') of the Transferee Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange. 3,58,41,803 GDRs were outstanding as on 31st March, 2021.

The First Transferor Company is a wholly owned subsidiary of Transferee Company. The Transferee Company is the ultimate holding company of the Second Transferor Company and Third Transferor Company.

There are no existing commitments, obligations or arrangements by the Transferee Company as on the date of approval of this Scheme by the Board of Directors to issue any further shares or convertible securities.



PART II**MERGER OF MECPL, RIHL AND MRL WITH M&M****Section 1 – Transfer and vesting**

- 4) Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal or any other competent authority and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the entire business and whole of the Undertaking of the Transferor Companies shall be transferred to 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.
- 5) **Transfer and Vesting of Assets**
- a. Without prejudice to the generality of Clause 4 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, if any, of whatsoever nature and where so ever situate shall, under the provisions of Sections 230 to 232 of the Act and other 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. All immovable properties of the Transferor Companies including residential flat owned by MECPL situated at Flat 901, 9th Floor, Mahindra Heights Co-operative Housing Society Limited, 96 Tardeo Road, Next to AC Market, Tardeo, Mumbai - 400034, if any, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Companies, whether freehold or leasehold or otherwise, and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Companies and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme



becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the coming into effect of this Scheme in accordance with the terms hereof.

- c. Without prejudice to the provisions of Clause 5(a) and 5(b) 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 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 230 to 232 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.
- d. In respect of such of the assets and properties belonging to the Transferor Companies (other than those referred to in Clause 5(c) 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 230 to 232 of the Act.
- e. 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 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 230 to 232 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 or from the date of their acquisition (after the Appointed Date but before the Effective Date) as the case may be, pursuant to the provisions



of Sections 230 to 232 of the Act.

- f. Upon coming into effect of the Scheme, and with effect from the Appointed Date, all the profits or income taxes (including advance tax, tax deducted at source, tax collected at source, foreign tax credits, dividend distribution tax, MAT credit and any credit for dividend distribution tax on dividend received by the Transferor Companies from their subsidiary/ies), all input credit balances (including but not limited to CENVAT/MODVAT, sales tax, applicable excise and customs duties, SGST, IGST and CGST credits under the GST laws) or any costs, charges, expenditure accruing to the Transferor Companies in India and abroad or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, income, costs, charges, expenditure or losses of Transferee Company, as the case may be.
- g. 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 230 to 232 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.
- 6) **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, insurance, letters of Intent, memorandums of understanding, offer letters, undertaking, policies and other instruments of whatsoever nature, to which the Transferor Companies is a party or to the benefit of which Transferor Companies may be eligible, and which are subsisting or have effect



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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 Companies 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 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 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 authorized 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.
- 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.

7) Transfer and Vesting 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 Companies including all secured and unsecured debts (in whatsoever currency), debentures, liabilities (including contingent liabilities), duties and obligations 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 Tribunal and under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed,



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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 7.

- b. Where any such debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date have been discharged by such Transferor Companies 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 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 230 to 232 of the Act, without any further act, instrument or deed be 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 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.

8) Encumbrances

- a. The transfer and vesting of the assets comprised in the Undertaking to the Transferee Company under Clause 4 and Clause 5 of this Scheme shall be subject to the Encumbrances,



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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 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. Furthermore, no duty (including stamp duty), levy, cess of any nature will be payable by the Transferee Company at the time of transfer of the Encumbrance covered above with respect to the immovable property.
- 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 other 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 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

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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 8 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.

9) **Employees of the Transferor Companies**

- a. Upon the coming into effect of this Scheme, Employees, if any, of the Transferor Companies in India and abroad shall, become the employees of the Transferee Company, on same terms and conditions and shall not be less favorable 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 merger 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 Transferor Companies and such benefits to which the Employees are entitled in the Transferor Companies 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 Companies with any Employee of the Transferor Companies.
- c. Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Companies for its Employees or to which 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



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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 the Transferor Companies is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Companies, 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.

10) **Legal, Taxation and other Proceedings**

- a. 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 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.
- b. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the

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Transferor Companies as if this Scheme had not been made.

- c. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Companies, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.

Section 2 – Conduct of Business

- 11) From the date on which the Boards of Directors of the Transferor Companies and the Transferee Company approve this Scheme until the Effective Date:
- 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.
 - the Transferor Companies shall carry on its business and activities with due business prudence and diligence and shall not, without prior written consent of the Transferee Company or pursuant to any preexisting obligation, sell transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with any part of its assets nor incur or accept or acknowledge any debt, obligation, or liability except as is necessary in the ordinary course of business.
 - 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.
 - 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 or discharged for and on behalf of and as an agent for the Transferee Company.



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- e. all taxes (including, without limitation, income tax, minimum alternate tax, sales tax, service tax, VAT, excise and custom duties, Central Goods and Service Tax law (CGST), State Goods and Service Tax law (SGST) and Integrated Goods and Service Tax law (IGST), foreign taxes, etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the Transferor Companies before the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to the tax payment (including, without limitation, income tax, minimum alternate tax, dividend distribution tax, sales tax, service tax, VAT, excise and custom duties, CGST, SGST, IGST, foreign taxes, etc.), whether by way of deduction at source, tax collected at source, advance tax or otherwise howsoever, by the Transferor Companies (including any credit for dividend distribution tax on dividend received by the Transferor Companies from their subsidiary/ies) 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.
- f. if and to the extent there are inter-corporate loans, deposits or balances between the Transferor Companies and Transferee Company or amongst the Transferor Companies, the obligations in respect thereof shall, on and from the Appointed Date, shall stand cancelled and there shall be no obligation/ outstanding balance in that behalf.
- g. pending sanction of the Scheme, the Transferor Companies shall not, except by way of issue of shares / convertible debentures to its existing shareholders, increase its capital (by fresh issue of shares, convertible debentures or otherwise).
- h. without prejudice to the provisions of Clauses 4 to 10, with effect from the Appointed Date, all inter-party transactions between the Transferor Companies and the Transferee Company or amongst the Transferor Companies shall be considered as intra-party transactions for all purposes from the Appointed Date.
- i. for the avoidance of doubt, it is hereby clarified that nothing in the Scheme shall prevent the Transferee Company and / or the Transferor Companies from declaring and paying dividends, whether interim or final, to its shareholders.
- j. for the avoidance of doubt, it is hereby further clarified that nothing in the Scheme shall prevent the Transferee Company from issuance of bonus shares, rights issue, issue of shares



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securities in any manner, splitting or consolidation of its shares, making investments or undertaking merger or demerger or any other mode of restructuring.

Section 3 – Cancellation of share capital and convertible debentures of the Transferor Companies

- 12) The First Transferor Company, Second Transferor Company and Third Transferor Company are directly/ indirectly beneficially owned by the Transferee Company. Accordingly, the Transferor Companies are directly/ indirectly wholly owned subsidiaries of the Transferee Company. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the First Transferor Company or one Transferor Company in another Transferor Company (held directly and jointly with its nominee shareholders) and the issued and paid-up capital of the Transferor Companies shall stand cancelled on the Effective Date without any further act, instrument, or deed.

Further, upon the Scheme becoming effective, Zero Coupon Unsecured Compulsorily Fully Convertible Debentures issued by the Second Transferor Company to the First Transferor Company shall stand cancelled on the Effective Date without any further act, instrument, or deed.

It is further clarified that since the Transferor Companies are direct/ indirect wholly owned subsidiaries of the Transferee Company, no consideration shall be discharged by the Transferee Company pursuant to the merger of the Transferor Companies.

Section 4 – Increase in authorised share capital of the Transferee Company

- 13) 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, if any, including payment of stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the Transferor Companies.
- 14) In case both MVML Scheme and MEML Scheme becomes effective prior to the Effective Date, the capital Clause 5 of the Memorandum of Association of the Transferee Company shall, as a part of and, upon this Scheme becoming effective and without any further act or deed, be replaced by the clause mentioned in Para 1 of Schedule I.

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However, in case MVML Scheme becomes effective but MEML Scheme does not become effective prior to the Effective Date, the capital Clause 5 of the Memorandum of Association of the Transferee Company shall, as a part of and, upon this Scheme becoming effective and without any further act or deed, be replaced by the clause mentioned in Para 2 of Schedule I.

- 15) It is clarified that for the purposes of Clause 13 and 14 above, 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. The Transferee Company shall file requisite forms with the concerned Registrar of Companies.
- 16) It is clarified that the consent / resolution / approval of NCLT approving the Scheme shall be deemed to be the approval for amending the authorised share capital of the Transferee Company under section 13 and other applicable provisions of the Act. The words and figures in Clause 5 of the Memorandum of Association of the Transferee Company relating to the authorised share capital shall without any further act, instrument be and stand amended pursuant to Section 13 of the Act and other applicable provisions of the Act.



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PART IIIDISSOLUTION OF TRANSFEROR COMPANIES, GENERAL CLAUSES, TERMS AND
CONDITIONS APPLICABLE TO THE SCHEME

17) Accounting and Tax Treatment

a. Applicability of provisions of Income Tax Act, 1961

- i. The provisions of this Scheme as they relate to the merger of Transferor Companies with Transferee Company has been drawn up to comply with the conditions relating to 'amalgamation' as defined under Section 2(1B) of the (Indian) Income-tax Act, 1961 (hereinafter referred to as Income-tax Act). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act. Such modification will, however, not affect the other parts of the Scheme.
- ii. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns, even after the prescribed due dates, along with prescribed forms, filings and annexures under the Income-tax Act (including for minimum alternate tax purposes, carry forward and set-off of tax losses and tax benefits), service tax, sales tax, VAT, excise and customs laws, as may be applicable, CGST, SGST, IGST and other tax laws and to claim refunds and/or credits for taxes paid by Transferor Companies (including minimum alternate tax, dividend distribution tax and foreign taxes), and to claim tax benefits, under the Income-tax Act including any credit for dividend distribution tax on dividend received by the Transferor Companies from their subsidiary/ies and other tax laws etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.
- iii. 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, dividend distribution tax, set-off and carry forward of accumulated losses, foreign taxes, deferred revenue expenditure, deduction, rebate, allowance, amortization benefit, etc. including

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any credit for dividend distribution tax on dividend received by the Transferor Companies from their subsidiary/ies under the Income-tax Act, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India and unutilized CENVAT credit, VAT credit, input tax credit for CGST, SGST and IGST etc. shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and unutilized CENVAT credits, VAT credit, CGST, SGST and IGST credits 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, CGST returns, SGST returns, IGST returns and to claim refunds/ credits (including, but not limited to foreign tax credit, dividend distribution tax and minimum alternate tax), pursuant to the provisions of this Scheme.

- iv. The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between the Transferor Companies and the Transferee Company or between one Transferor Company and another Transferor Company. Without prejudice to the generality of Clause 17(a)(iii) 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 returns, including withholding tax certificates, relating to transactions between the Transferor Companies and the Transferee Company or between one Transferor Company and another Transferor Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax/dividend distribution tax (including any credit for dividend distribution tax on dividend received by the Transferor Companies), foreign taxes and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.
- v. The withholding tax, tax collected at source, advance tax, minimum alternate tax, dividend distribution tax, equalization levy, foreign taxes, if any, paid by the Transferor Companies under the Income-tax Act or any other statute for the period commencing from the Appointed Date shall be deemed to be the tax deducted from, advance tax, dividend distribution tax, equalization levy, foreign taxes paid by the Transferee Company and credit for such withholding tax, tax collected at source, advance tax, minimum alternate tax, dividend distribution tax, equalization levy, foreign taxes shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/ tax collected at

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source/ advance tax/ dividend distribution tax/ foreign tax are in the name of the Transferor Companies and not in the name of the Transferee Company.

- vi. The service tax, VAT, sales tax, excise and custom duties under the pre-GST regime and in the GST regime, CGST, SGST and IGST paid by the Transferor Companies under the Finance Act, 1994 and/ or Central Goods and Service Tax Act, Integrated Goods and Service Tax Act and Union Territory Goods and Service Tax Act 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, sales tax, excise and custom duties, CGST, SGST, IGST paid by the Transferee Company and credit for such service tax CGST, SGST, IGST shall be allowed to the Transferee Company notwithstanding that challans for service tax payments, CGST payment, SGST payment, IGST payment are in the name of the Transferor Companies and not in the name of the Transferee Company.

b. Accounting Treatment

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

Accordingly, the Transferor Companies and Transferee Company all being the entities under common control, the accounting would be done at Transferor Companies carrying amounts as on the Appointed Date for all the assets and liabilities acquired by the Transferee Company of the Transferor Companies by applying the principles as set out in Appendix C of Ind AS 103 'Business Combinations' and inter-company balances and inter-company investments, if any, between Transferor Companies and with Transferee Company shall stand cancelled.

Additionally, the Transferee Company shall pass such accounting entries which are necessary in connection with the Scheme to comply with the other applicable Accounting Standards such as Ind AS 8, Ind AS 10, etc.

In respect of accounting for subsequent events, the Transferee Company shall solely follow the requirements of Ind AS 10 – 'Events after the Reporting Period' in order to give effect to the Scheme. Accordingly, if the approval of NCLT for the Scheme is received after the balance



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sheet date but before the approval of the financial statements for issue by the Board of Directors, it shall be treated as an adjusting event under Ind AS 10 – 'Events after the Reporting Period' and shall be given effect to in the financial statements with effect from the Appointed Date.

18) 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 deemed to have authorized any director of the Transferee Company or such other person(s) as authorized by any two directors of the Transferee Company to do all acts, deeds, things as may be necessary to give effect to these resolutions, without any further acts to be done by 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 180 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.

19) Savings of concluded transactions

The transfer and vesting of Undertaking under Clause 4 above and the continuance of proceedings by or against the Transferee Company under Clause 10 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on or after the Appointed Date till 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, as if done and executed on its behalf.

20) Dissolution of the Transferor Companies

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

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21) Conditionality to the Scheme

- a. The effectiveness of the Scheme is conditional upon and subject to:
- The requisite sanction or approval from Registrar of Companies, Regional Director, Official Liquidator as may be applicable or as may be directed by the Tribunal.
 - This Scheme being approved by the respective requisite majorities of the shareholders and creditors of the Transferor Companies and the Transferee Company if required under the Act and/ or as may be directed by the Tribunal and the requisite orders of the Tribunal being obtained.
 - The certified copy of the order of the Tribunal under Sections 230 to 232 and other applicable provisions of the Act sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by the Transferor Companies and Transferee Company.
- b. On the approval of this Scheme by the shareholders of the Transferor Companies and the Transferee Company, if required, 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 merger set out in this Scheme, related matters and this Scheme itself.

22) Effect of Non-Receipt of Approvals/Sanctions

- a. In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the Appropriate Authority and / or the Order not being passed as aforesaid within such period or periods as may be agreed upon between the Transferor Companies and the Transferee Company by their Board of Directors (and which the Board of Directors of the Transferor Companies and Transferee Company are hereby empowered and authorized to agree to and extend the same from time to time without any limitation) failing which this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.
- b. Without prejudice to the general right of the parties to this Scheme as conferred in Clause



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24 of Part III of this Scheme, if any part of this Scheme hereof is invalid, held illegal or unenforceable, under any present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

23) Applications

- a. Transferor Companies and the Transferee Company, if required shall, with all reasonable dispatch, make applications/ petitions to the Tribunal under Sections 230 to 232 and other applicable provisions of the Act, for sanctioning of this Scheme.
- b. The Transferor Companies shall take all necessary steps for sanctioning of this Scheme and for its dissolution without winding up, and apply for and obtain such other approvals, if any, required under the law.

24) Modifications or amendments to the Scheme

- a. The Transferor Companies and the Transferee Company, through their respective Board of Directors, may assent from time to time on behalf of all the persons concerned to any modifications or amendments or additions to this Scheme subject to approval of the Tribunal or to any conditions or limitations which the Tribunal and/or any other competent authorities, if any, under the law may deem fit and approve of or impose and which 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 and do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect. The aforesaid powers of the Transferor Companies and the Transferee Company may be exercised by their respective Boards of Directors.
- b. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Transferor Companies or 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

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incorporated in this Scheme.

25) 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.



Schedule I

1. Upon MVML Scheme, MEML Scheme and this Scheme becoming effective, Clause 5 of Memorandum of Association of Transferee Company to be replaced as under:

"5. The Authorised Share Capital of the Company is Rs. 12,681,50,00,000 (Rupees Twelve Thousand Six Hundred Eighty One Crores and Fifty Lacs) divided into 2,231,30,00,000 (Two Thousand Two Hundred Thirty One Crores and Thirty Lacs) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees Hundred) each and 150,00,00,000 (One Hundred and Fifty Crore) Preference Shares of Rs. 10 (Rupees Ten) each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation."

2. Upon MVML Scheme and this Scheme becoming effective but MEML Scheme not becoming effective, Clause 5 of Memorandum of Association of Transferee Company to be replaced as under:

"5. The Authorised Share Capital of the Company is Rs. 11,681,50,00,000 (Rupees Eleven Thousand Six Hundred Eighty One Crores and Fifty Lacs only) divided into 2,031,30,00,000 (Two Thousand Thirty One Crores and Thirty Lacs) Ordinary (Equity) Shares of Rs. 5 (Rupees Five) each and 25,00,000 (Twenty Five Lacs) Unclassified shares of Rs. 100 (Rupees Hundred) each and 150,00,00,000 (One Hundred and Fifty Crore) Preference Shares of Rs. 10 (Rupees Ten) each, with such ordinary preferential or deferred rights, privileges and other conditions attaching thereto as may be provided by the regulations of the Company for the time being in force and operation with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being original or increased into different classes and to consolidate or sub-divide such Shares and to convert Shares into Stock and reconvert



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the Stock into Shares and to attach to such Shares or Stock such ordinary preferential or deferred rights, privileges and other conditions as may be provided by the regulations of the Company for the time being in force and operation."



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P.R.S. Sonawale
 Deputy Registrar/24.2.2022
 National Company Law Tribunal, Mumbai Bench



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OF
MAHINDRA & MAHINDRA LIMITED

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The Companies Act, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
MAHINDRA AND MAHINDRA LIMITED

PRELIMINARY

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Annual General Meeting of the Company held on 7th August, 2015 in substitution for and to the entire exclusion of, the regulations contained in the extant Articles of Association of the Company.

1.	Table F not to apply	(1) Mahindra & Mahindra Limited is established with Limited Liability in accordance with and subject to the provisions of the Indian Companies Act, 1913. None of the regulations contained in Table 'F' in Schedule I to the Companies Act, 2013, including amendment(s) made thereto, if any, shall apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.
	Company to be governed by these Articles	(2) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to its regulations by a resolution or otherwise as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.
INTERPRETATION CLAUSE		
2.	Interpretation	(1) In the interpretation of these Articles, unless repugnant to the subject or context:
	The Act	"The Act" means the Companies Act, 2013 or any previous enactment thereof, or any statutory modification thereto or re-enactment thereof and includes any Rules and Regulations framed thereunder.
	Articles	"Articles" means these Articles of Association of the Company as originally framed or as altered from time to time.
	Beneficial owner	"Beneficial owner" means the beneficial owner as defined in the Depositories Act.
	Board or Board of Directors	"Board" or "Board of Directors" means the collective body of the Directors of the Company.
	Company	"Company" means Mahindra and Mahindra Limited.
	Depositories Act	"Depositories Act" means The Depositories Act, 1996 or any statutory modification or re-enactment thereof, for the time being in force.
	Depository	"Depository" means a Depository as defined in the Depositories Act.
	Office	"Office" means the registered office for the time being of the Company.
	Rules	"Rules" means the Rules framed under the Act.

	Seal	“Seal” means the common seal for the time being of the Company or any other method of authentication of documents, as specified under the Act or amendment thereto.
	Written/in Writing	“Written” and “in Writing” includes printing, lithography, electronic and other modes of representing or reproducing words in a visible form.
		(2) Words importing the singular number include, where the context admits or requires, the plural number and vice versa and words importing the masculine gender also include the feminine and the neuter genders.
		(3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.
		(4) The headings and marginal notes hereto are inserted for convenience only and shall not affect the construction hereof.
CAPITAL		
3.	Authorised Capital	The Authorised Share Capital of the Company shall be such amount as may, be specified in Clause V of the Memorandum of Association of the Company.
4.	Kinds of Share Capital	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
		i. Equity share capital: <ul style="list-style-type: none"> a. with voting rights; and/or b. with differential rights as to dividend, voting or otherwise in accordance with the Act and Rules; and ii. Preference share capital
5.	Power to issue redeemable or convertible preference shares	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act and Rules.
6.	Variation of rights	If at any time the share capital is divided into different classes of shares, the rights and/or privileges attached to any such class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
		All the provisions of these Articles relating to general meetings shall <i>mutatis mutandis</i> apply to every such separate meeting.
7.	Issue of shares on <i>pari passu</i> basis not to vary rights of existing shareholders	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.

8.	Shares at disposal of Board	<p>a) Subject to the provisions of these Articles and of the Act, the shares in the capital of the Company shall be under the control of the Board which may issue, allot or otherwise dispose of them to such persons in such proportion and on such terms and conditions, either at a premium or at par, and with full power to give any person the option or right to call for or be allotted shares of any class of the Company for such time and for such consideration as the Board may think fit, provided that the option or right to call for is in accordance with the applicable provisions of the Act.</p> <p>b) Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.</p>
9.	Further issue of share capital	<p>The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to:</p> <ul style="list-style-type: none"> i. persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or ii. employees under any scheme of employees' stock option; or iii. any persons, whether or not those persons include the persons referred to in clause (i) or clause (ii) above.
10.	Mode of further issue of shares	A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.
11.	Sweat equity shares	The Company may exercise the powers of issuing sweat equity shares of a class of shares already issued in accordance with the Act, the Rules and other applicable law, if any.
12.	Commission and brokerage	<p>a) Subject to the conditions and provisions contained in the Act and the Rules, the Company may at any time pay commission to any persons in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any securities in the Company, or procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any securities in the Company. In such case, the rate of commission payable shall not exceed the rates prescribed under the Act and the Rules. The commission may be satisfied by the payment of cash or by way of allotment of fully or partly paid securities or partly in one way and partly in the other.</p> <p>b) The Company may also, on any issue of any security, pay such brokerage as may be in compliance with the applicable laws.</p>

13.	Issue of debentures and other securities	Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a premium or otherwise, and may be made assignable free from any equities between the Company and the person to whom the same may be issued and may be issued on the condition that they shall or may be convertible into shares of any denomination.
SHARES AND CERTIFICATES		
14.	Share Certificates	<p>a) Every person whose name is entered as a member in the register of members shall be entitled to receive, within such time limits after allotment or after the Company receiving application for the registration of transfer or transmission as prescribed under the law for the time being in force or within such other period as the conditions of issue shall provide:</p> <p>(i) one certificate for all his shares without payment of any charges; or</p> <p>(ii) several certificates, each for one or more of his shares, upon payment of such fees/charges as may be fixed by the Board for each certificate after the first.</p> <p>Every certificate of shares shall be either issued under the Seal of the Company or signed by (i) two directors or (ii) by a director and the Company Secretary, wherever the Company has appointed a Company Secretary or (iii) in any other manner as may be permitted by the Act and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon.</p> <p>A Director may sign a share certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of rubber stamp</p> <p>b) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>
15.	Option to receive share certificate or hold shares with Depository	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a Depository. Where a person opts to hold any share with the Depository, the Company shall intimate such Depository the details of allotment of the share(s) to enable the Depository to enter in its records the name of such person as the Beneficial Owner of that share.

16.	Fractional certificates	<p>The Board shall have power—</p> <p>(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise in trustees or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.</p> <p>Any agreement made under such authority shall be effective and binding on all such members.</p>
17.	Renewal of certificates	<p>If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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 Board may deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of such fees for each certificate as may be fixed by the Board.</p>
18.	Provisions as to issue of share certificates to <i>mutatis mutandis</i> apply to securities	<p>The provisions of these Articles relating to share certificates shall <i>mutatis mutandis</i> apply to certificates relating to all other securities of the Company, except where the Act or Rules otherwise provide.</p>
19.	Issue in Dematerialised form	<p>Notwithstanding anything contained herein and subject to the provisions of the Act, the Company shall be entitled to admit its shares, debentures and other securities for dematerialisation 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 with the details of Members holding shares both in physical and dematerialised form in any medium as permitted by law including any form of electronic medium.</p>
20.	First named joint holder deemed sole holder	<p>If any share stands in the names of 2 (two) or more persons, the person first named in the register shall, as regards receipt of dividends, service of notices and other documents and, subject to the provision of these Articles, all or any other matter connected with the Company, except voting at meetings, transfer of the share(s) and any other matter provided in the Act or Rules, be deemed the sole holder thereof.</p> <p>The joint holders of a share shall be jointly and severally liable for the payment of all the calls due in respect of such share(s) and for all incidents thereof according to the Company's regulations.</p> <p>The provisions of these Articles with respect to joint holders shall apply <i>mutatis mutandis</i> to all other securities of the Company, whether issued in physical or dematerialised form unless otherwise provided in the Act or Rules.</p>

LIEN		
21.	Company's lien on shares	<p>a) The Company shall have a first and paramount lien on (i) every share (not being fully paid-up), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share and (ii) all shares (not being fully paid-up) standing registered in the name of a Member, for all monies presently payable by him or his estate to the Company. Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>b) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>
22.	Enforcing lien on sale	The Company may sell in such manner as the Board may think fit, any shares on which the Company has a lien. Provided that no such sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.
23.	Effect of sale	<p>To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall neither be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p> <p>The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.</p>
24.	Application of proceeds	The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue (if any) shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares on the date of the sale.
25.	Outsider's lien not to affect Company's lien	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
26.	Lien over other securities including debentures	The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other securities, including debentures, of the Company.

CALLS		
27.	Calls	<p>a) The Board may, from time to time, subject to the terms on which any shares may have been issued, make calls on the members in respect of any monies unpaid on their shares (whether on account of nominal value of shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.</p> <p>b) Each member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>c) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.</p> <p>d) A call may be revoked or postponed at the discretion of the Board.</p> <p>e) All calls shall be made on a uniform basis on all shares falling under the same class.</p> <p>Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.</p>
28.	Call to take effect from the date of resolution	A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be required to be paid by instalments. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
29.	Interest on call	<p>a) If a sum called in respect of a share is not paid on or before the day appointed for payment thereof or any extension thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment, at such rate as may be fixed by the Board.</p> <p>b) The Board shall be at liberty to waive payment of any such interest either wholly or in part.</p>
30.	Sums deemed to be calls	<p>a) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, such sum becomes payable.</p> <p>b) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>
31.	Partial payment not to preclude forfeiture	Neither a judgment 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 forfeiture of such shares as herein provided.

32.	Proof on trial of suit for money due on shares	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 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, was on the Register of Members as the holder, on or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered; that such money is due pursuant to the terms on which the share was issued; that the resolution making the call was duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board Meeting 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.
33.	Payment in advance of calls	<p>The Board:</p> <p>a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this Clause shall confer on the member:</p> <p>(i) any right to participate in profits or dividends; or</p> <p>(ii) any voting rights in respect of the money so paid by him until the same would, but for such payments, become presently payable by him.</p>
34.	Instalments on shares to be duly paid	If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
35.	Provisions relating to calls to <i>mutatis mutandis</i> apply to other securities including debentures	The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities, including debentures, of the Company.
TRANSFER OF SHARES		
36.	Execution of transfer	<p>a) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and the transferee.</p> <p>b) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p>

37.	Form of transfer	The instrument of transfer shall be in writing and all the provisions of the Act, the Rules and applicable laws shall be duly complied with in respect of transfer of shares and registration thereof.
38.	Board may decline to register transfer	The Board may, subject to the right of appeal conferred by the Act decline to register:- i) any transfer of shares on which the Company has a lien. ii) the transfer of a share, not being a fully paid share, to a person of whom they do not approve.
39.	Board may decline to recognize instrument of transfer	In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless: a) the instrument of transfer is duly executed and is in the form as prescribed under the Act and/or Rules ; b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and c) the instrument of transfer is in respect of only one class of shares.
40.	Transfer of shares when suspended	On giving of previous notice of at least 7 (seven) days or such lesser period in accordance with the Act and the Rules, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty five) days in the aggregate in any year.
41.	Provisions relating to instrument of transfer not to apply to dematerialised shares	The provisions relating to instrument of transfer shall not apply to the shares of the Company which have been dematerialized.
42.	Provisions as to transfer of shares <i>mutatis mutandis</i> apply to other securities including debentures	The provisions of these Articles relating to transfer of shares shall <i>mutatis mutandis</i> apply to any other securities (including debentures) of the Company.
TRANSMISSION OF SHARES		
43.	Transmission of shares	<ol style="list-style-type: none"> On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person or persons recognised by the Company as having any title to his interest in the shares. Nothing in clause (1) above shall be taken to release the estate of a deceased joint holder from any liability in respect of any shares which had been held by him jointly with any other person. Before recognising any executor or administrator, the Board may require him to obtain a grant of probate or letters of administration or other representation as the case may be, from a competent Court in India, provided nevertheless that in any case where the Board or any person authorised by the Board in their absolute discretion and in accordance with the applicable law, think fit, it shall be lawful to dispense with the production of probate or letters of administration or other representation upon such terms as to indemnity or otherwise, as the Board or any person authorised by the Board in their absolute discretion, may consider necessary and adequate.

44.	Option to title holder	<p>a) Any person becoming entitled to a share in consequence of the death, liquidation or insolvency of a member or by any lawful means other than by a transfer may, upon such evidence being produced as may be required by the Board from time to time and subject to the condition as hereinafter provided, elect either:</p> <p>(i) to be registered himself, as the holder of the share, or</p> <p>(ii) to make such transfer of the share as the deceased, liquidated or insolvent member could have made.</p> <p>b) The Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased, liquidated or insolvent member had transferred the shares before his death, liquidation or insolvency.</p> <p>c) The Company shall be fully indemnified by such person from all liability, if any, for actions taken by the Board to give effect to such registration or transfer.</p>
45.	Election how exercised	<p>a) If a person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>c) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice of transfer aforesaid as if the death, liquidation or insolvency of the member had not occurred and the notice or transfer was a transfer by that member.</p>
46.	Rights of person entitled by transmission	<p>A person becoming entitled to a share by reason of the death, liquidation or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.</p>
47.	Provisions relating to transmission by operation of law to <i>mutatis mutandis</i> apply to debentures and other securities	<p>The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities, including debentures, of the Company.</p>

FORFEITURE AND SURRENDER		
48.	If call or instalment not paid notice may be given	If any member fails to pay any call or instalment or any money due in respect of any share on or before the day appointed for the payment of the same or any such extension thereof, the Board, may at any time thereafter, during such time as any part of the call or instalment remains unpaid, serve a notice on such member or on the person (if any) entitled to the shares by transmission requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all reasonable expenses that may have been incurred by the Company by reason of non-payment.
49.	Form of notice	The notice aforesaid shall – a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and b) shall state that in the event of non-payment on or before the day and time so appointed, the share(s) in respect of which the call was made will be liable to be forfeited.
50.	If notice not complied with shares may be forfeited	If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which the notice has been given may, at any time thereafter, if the payment required by the notice has not been made; be forfeited by a resolution of the Board to that effect.
51.	Partial payments and Effects of forfeiture	a) The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share and shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. b) Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided.
52.	Sale of forfeited share	A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or any other person, upon such terms and in such manner as the Board thinks fit. The Board may, at any time before a sale, re-allotment or disposal as aforesaid, cancel the forfeiture on such terms as it thinks fit.

53.	Position after forfeiture	<p>A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies, which at the date of forfeiture were presently payable by him to the Company in respect of the shares, including interest thereon at such rate that the Board may determine.</p> <p>The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.</p> <p>The liability of such person shall cease if and when the Company shall have received payments in full of all such monies in respect of the shares.</p>
54.	Evidence of forfeiture	<p>A duly verified declaration in writing that the declarant is a Director, the Manager or the Company Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.</p>
55.	Title of purchaser and transferee of forfeited shares	<p>a) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.</p> <p>b) The transferee shall thereupon be registered as the holder of the share.</p> <p>c) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.</p>
56.	Cancellation of share certificate in respect of forfeited shares	<p>Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same on demand by the Company, has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a new certificate(s) in respect of the said shares to the person(s) entitled thereto.</p>
57.	Provisions regarding forfeiture to apply to all cases of non-payment	<p>The provisions of these Articles as to forfeiture shall apply in 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 the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>
58.	Surrender of Shares	<p>The Board may, subject to the provisions of the Act, accept from any member on such terms and conditions as they think fit, a surrender of his shares or stock or any part thereof.</p>
59.	Provisions relating to forfeiture and surrender of shares to <i>mutatis mutandis</i> apply to debentures and other securities	<p>The provisions of these Articles relating to forfeiture and surrender of shares shall <i>mutatis mutandis</i> apply to any other securities, including debentures of the Company.</p>

STOCK		
60.	Shares may be converted into stock	The Company may, by ordinary resolution: <ol style="list-style-type: none"> convert any paid-up shares into stock; and reconvert any stock into fully paid-up shares of any denomination.
61.	Transfer of Stock	The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
62.	Rights of stock holders	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
63.	Provisions relating to 'shares' to apply to 'stock' as well	Such of the Articles of the Company as are applicable to paid up shares shall apply to stock and the words "share" and "shareholders" in these Articles shall include "stock" and "stockholders" respectively.
ALTERATION OF CAPITAL		
64.	Alteration of capital	Subject to the provisions of the Act, the Company may from time to time as may be approved by Members of the Company: <ol style="list-style-type: none"> increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution; consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act; sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and/or 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.
65.	Reduction of Capital	The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules and applicable laws: <ol style="list-style-type: none"> its share capital; and/or any capital redemption reserve account; and/or any securities premium account; and/or any other reserves in the nature of share capital.

66.	Buy-back of Shares	Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase or buy-back its own shares or other specified securities.
67.	Joint-holders	<p>Where two or more persons are registered as joint holders of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles :</p> <ol style="list-style-type: none"> i. The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share. ii. On the death of any one or more of such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. iii. Any one of such joint holders may give effectual receipts of any dividends, interests, other moneys payable or bonus in respect of such share. iv. 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 the delivery of share certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint holders.
		<ol style="list-style-type: none"> v. <ol style="list-style-type: none"> a. Any one of 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 in respect of such shares shall alone be entitled to vote in respect thereof. Provided always that a person present at any meeting personally shall be entitled to vote in preference to a person, present by an agent, duly authorised under a power of attorney or by proxy although the name of such persons present by an agent or proxy stands first in the Register in respect of such shares. b. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

68.	Provisions relating to joint-holders to <i>mutatis mutandis</i> apply to debentures and other securities	The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names.
MEETING OF MEMBERS		
69.	General Meetings	All general meetings of the Company other than the annual general meeting shall be called extra-ordinary general meetings.
70.	Extraordinary General Meeting	The Board may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members or Members holding in the aggregate not less than one-tenth of such of the paid up capital of the Company as at the date of deposit of the requisition and in compliance with the Act, forthwith proceed to convene Extra-Ordinary General Meeting.
71.	When a Director or any two Members may call an Extra Ordinary General Meeting	If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Board.
72.	Powers to arrange security at Meetings	The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.
73.	Requisition of Members to state object of meeting	Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Registered Office; provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.
74.	Calling of requisitioned meeting	Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the Registered Office, to cause a meeting to be called for a day not later than forty-five days from the date of deposit of the requisition, meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
75.	Circulation of members resolution	Upon a requisition of members complying with the Act, the Board shall comply with the obligations of the Company under the Act relating to circulation of members' resolutions and statements.

76.	Notice of meeting	Twenty-one days' notice at the least (either in writing or electronic mode) of every meeting, annual or extra-ordinary, and by whomsoever called, specifying the day, place and hour of meeting, and containing a statement of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, Provided that in the case of an annual general meeting, with the consent in writing of all the members entitled to vote thereat, and in the case of any other meeting, with the consent of members holding not less than 95 per cent of such part of the paid up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice.
77.	Omission to give notice	The accidental omission to give notice to, or the non-receipt of notice by, any member or other person to whom it should be given, shall not invalidate the proceedings at the meeting.
78.	Quorum at general meeting	<p>a) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>b) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.</p> <p>c) The quorum for the general meeting shall be as provided in the Act.</p>
79.	Meeting dissolved/adjourned if quorum not present	If, at the expiration of half an hour from the time appointed for the Meeting a quorum of Members is not present, the Meeting, if convened by or upon the requisition of Members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine; and if at such adjourned Meeting a quorum of Members is not present at the expiration of half an hour from the time appointed for the Meeting, those Members who are present shall be a quorum, and may, transact the business for which the Meeting was called.
80.	Chairperson of general meeting	<p>a) The chairperson of the Board shall be entitled to preside as the chairperson at every general meeting of the Company.</p> <p>b) If there is no such chairperson or if he is not present within 15 (fifteen) minutes after the time appointed for holding such meeting, or is unwilling to act as chairperson, the Director's present shall elect one of them to be chairperson of the meeting.</p> <p>c) If at any meeting no director is willing to act as chairperson or if no director is present within 15 (fifteen) minutes after the time appointed for holding the meeting, the members present shall choose one of them to be chairperson of the meeting.</p>

81.	Chairperson's Power for orderly conduct at general meetings	<p>(a) The Chairperson shall have all the powers and authorities under law to conduct and regulate the general meeting;</p> <p>(b) Without prejudice to the aforesaid general power to ensure that the proceedings at a general meeting are conducted in a proper and orderly manner, the Chairperson's powers shall include the power to;</p> <p>(i) call the speakers</p> <p>(ii) determine the order in which the speakers shall be called</p> <p>(iii) regulate the length of speeches</p> <p>(iv) deal with point of order</p> <p>(v) preserve and maintain order and discipline</p> <p>(vi) expel any member who does not abide by the Chairperson's directions, persists in obstruction methods or otherwise misbehaves.</p> <p>(c) The Chairperson's decision on any of the above matters or on matters of procedure or any matters that arise incidentally during the course of the general meeting shall be final and conclusive.</p>
82.	Chairperson may adjourn meeting	<p>a) The Chairperson may, suo motu, adjourn the meeting from time to time and from place to place.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) 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.</p> <p>d) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>
83.	Chairman sole judge of the validity of a vote	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.
84.	Chairperson's declaration conclusive	Unless a poll be so demanded or voting is carried out electronically, a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, 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 recorded in favour of or against such resolution.
85.	Chairperson's casting vote	In the case of an equality of votes, whether on a show of hands or electronically or on a poll, the chairperson of the meeting shall be entitled to a casting or second vote.

86.	Poll not to prevent continuance of business	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
VOTES OF MEMBERS		
87.	Votes of members	<p>a) Subject to any rights or restrictions for the time being attached to any class or classes of shares –</p> <p>(i) on a show of hands, every member present in person shall have one vote; and</p> <p>(ii) on a poll or on electronic voting, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.</p> <p>b) A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.</p>
88.	Vote of members of unsound mind and vote of minor	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his shares will be exercised by his guardian or any one of his guardian(s).
89.	Votes in respect of share of deceased and insolvent member	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (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 duly satisfy the Board of his right to such shares, and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
90.	Restrictions on Voting	No member shall be entitled in respect of any shares registered in his name to exercise any voting right on any question at any general meeting or be reckoned in a quorum whilst any call or other sum presently payable to the Company in respect of such shares, remains unpaid or in regard to which the Company has exercised any right of lien.
91.	Objection to vote	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
92.	Member may vote in person or otherwise	Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

93.	Instrument of Proxy to be deposited at the Office	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power or authority, shall be deposited at the Office not less than 48 (forty-eight) hours before the time for holding the meeting or adjourned meeting, as the case may be, at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
94.	Form of instrument of proxy	An instrument appointing a proxy shall be in the form as prescribed under the Act and Rules.
95.	Proxy to be valid notwithstanding death of the principal	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.
96.	Minutes of General meeting	The Company shall cause minutes of all proceedings of every general meeting (including meetings of any class of members or creditors) and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Act and the Rules.
97.	Certain matters not to included in minutes	There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting: <ul style="list-style-type: none"> a. is, or could reasonably be regarded, as defamatory of any person; or b. is irrelevant or immaterial to the proceedings; or c. is detrimental to the interests of the Company.
98.	Discretion of the chairperson in relation to Minutes	The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
99.	Minutes to be evidence	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
100.	Inspection of minute books of general meeting and obtaining copies thereof	<ul style="list-style-type: none"> (1) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by Postal Ballot shall <ul style="list-style-type: none"> (a) be kept at the Registered Office of the Company or at such other place as may be decided by the Board and (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays. (2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above: <p>Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.</p>

DIRECTORS		
101.	Number of Directors and qualification	Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than 3 (three) and shall not be more than 15 (fifteen), including nominee Director(s). A Director shall not be required to hold any qualification shares.
102.	Retirement of directors by rotation	The Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of Directors by rotation, subject to compliance of the Act and the Rules made thereunder.
103.	Chairperson, Deputy Chairman etc.	<p>Subject to the requirements of the Act and the Rules, the Board, may elect a Chairman of their meetings, and determine the period for which he is to hold office.</p> <p>The Board may also elect a Deputy Chairman and a Vice-Chairman/Chairmen and determine the periods for which they are to hold office. If no Chairman is elected or if at any Meeting the Chairman is not present within fifteen minutes of the time appointed for holding the same, the Deputy Chairman failing whom the senior of the Vice-Chairman shall be entitled to take the chair at such meeting. If there be no such Chairman, Deputy Chairman or Vice-Chairman, the Directors present shall choose one of their number to be Chairman of such meeting.</p>
104.	Debenture Director	If and when the Company shall issue debentures the holders of such debentures, or if and when the Company shall create a mortgage of any property, the mortgagee or mortgagees to whom such property shall be mortgaged, may have the right to appoint and nominate and from time to time remove and reappoint a Director or Directors, in accordance with the provisions of the Trust Deed securing the said debentures, or the deed creating such mortgages, as the case may be. A Director so appointed under this Article, is herein referred to as "The Debenture Director" and the term "Debenture Director" means a Director for the time being in office under the Article, and he shall have all the rights and privileges of an ordinary Director of the Company, except in so far as is otherwise provided for herein or by the Trust Deed securing the Debentures or the deed creating the mortgage, as the case may be.
105.	Nominee Director	The Board may appoint any person as a director nominated by any institution, in pursuance of the provisions of any law for the time being in force or of any agreement to which the Company is a party or by the Central Government or the State Government(s) by virtue of its shareholding in the Company.
106.	Alternate Directors	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India in accordance with the requirements of the Act and the Rules made thereunder.

107.	Power to appoint additional Director and to fill casual vacancies	<p>Subject to the provisions of the Act and the Rules, the Board of Directors shall have power at any time, and from time to time, to appoint any person to be an additional Director provided the number of Directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Any person so appointed as an addition to the Board shall hold office only up to the date of the next annual general meeting, but shall be eligible for appointment by the Company as a director at that meeting, subject to the provisions of the Act and the Rules.</p> <p>If the office of any director (other than independent director) appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board. The Director (other than independent director) so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.</p>
108.	Remuneration of Directors	<p>a) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue on a daily basis.</p> <p>b) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act.</p> <p>Provided that except with the approval of the Company in general meeting,—</p> <p>(i) the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent. of the net profits of the Company and if there is more than one such director, remuneration shall not exceed ten per cent. of the net profits to all such directors and manager taken together;</p> <p>(ii) the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed,—</p> <p>(A) one per cent. of the net profits of the company, if there is a managing or whole-time director or manager;</p> <p>(B) three per cent. of the net profits in any other case.</p> <p>c) The fees payable to the Director for attending the meeting of the Board or Committee thereof or a General Meeting shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.</p>

109.	Expenses incurred by Directors	In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them. — (i) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or (ii) in connection with the business of the Company.
110.	Directors may act notwithstanding vacancy	The continuing Directors may act notwithstanding any vacancy in the Board, so long as their number is not reduced below the quorum fixed by the Act for a meeting of the Board of Directors. In the event the number of continuing Directors is reduced below the quorum fixed by the Act for a meeting of the Board of Directors, the Directors may act for the purpose of increasing the number of Directors to that fixed for a quorum or of summoning a general meeting and for no other purpose.
PROCEEDINGS OF THE BOARD		
111.	Meetings of Directors	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
112.	Participation through Electronic Mode	The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or any other mode, as may be prescribed by the Act or Rules.
113.	Quorum	The Quorum for a meeting of the Board shall be as provided in the Act. Where a meeting of the Board could not be held for want of quorum, then, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, or to such other day and at such other time and place as the Board may determine.
114.	Meetings how convened	The Chairperson or any one Director may, or the company secretary or some other person authorised by the Board, upon the request of a Director shall, on the direction of the Chairperson or in his absence, the Whole-time Director, where there is any, at any time, summon a meeting of the Board.
115.	Chairperson	The Chairman of the Board shall conduct the Meetings of the Board. If no chairperson is elected or if at any meeting, the chairperson is not present within 15 (fifteen) minutes of the time appointed for holding the same, the Directors present shall choose one of themselves to be chairperson of such meeting.
116.	Same individual may be Chairperson and Managing Director/ Chief Executive Officer	The same individual may, at the same time, be appointed or reappointed as the Chairperson of the Company as well as the Managing Director and/ or Chief Executive Officer in the Company.

117.	Decisions at Board meetings	Save as otherwise expressly provided in 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 chairperson of the Board shall have a second or casting vote.
118.	Directors may delegate to Board Committees/ person(s)	Subject to the restrictions contained in the Act, the Board may delegate any of its powers to committees of the Board consisting of such member or members of its body as the Board thinks fit or such person(s) as permitted by the Act or the Rules, and the Board may from time to time, revoke such delegation and discharge any such committee of the Board or such other person(s) either wholly or in part, and either as to persons or purposes; but every committee of the Board so formed or such other person(s) shall in the exercise of the powers so delegated conform to the 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. The participation of the members of the Committee may be either in person or through video conferencing or audio visual means or any other mode, as may be prescribed by the Rules or permitted under law.
119.	Meetings of committees	<p>a) A committee may elect a chairperson of its meetings unless the Board whilst constituting a Committee, has appointed the Chairperson of the Committee. If no chairperson is elected, or if at any meeting the chairperson is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting.</p> <p>b) A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the chairperson shall have a casting vote.</p> <p>c) Subject to the provisions of the applicable laws, the quorum for meetings of Committees of the Board would be such as may be decided by the Board, whilst constituting a Committee.</p>
120.	Passing of resolution by circulation	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

121.	Acts of Board or Committee shall be valid notwithstanding defect in appointment	All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment or continuance in the office of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such person had been duly appointed and had duly continued in office and was qualified to be a director and entitled to vote.
POWERS OF BOARD		
122.	General powers of the Company vested in Board	The management of the business of the Company shall be vested in the Board and the Board may, subject to the requirements of applicable laws, exercise all such powers, and do all such acts and things, as the Company is by its Memorandum of Association or Articles of Association or otherwise authorized to exercise or do.
123.	Execution of negotiable instruments	All cheques, promissory notes, drafts, hundies, bills of exchange, and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
124.	Borrowing Powers	Subject to the provisions of these Articles, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property (both present and future) and uncalled capital; or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligations of the Company or of any third party.
125.	Statutory Registers	The Company shall subject to the provisions of the Act and the Rules, keep and maintain at its Office or such other places as the Board may, decide, the statutory registers including register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of Beneficial Owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, by the persons entitled thereto on payment, where applicable, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

126.	Foreign register	<p>a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit with respect to the keeping of any such register.</p> <p>b) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.</p>
127.	Secrecy	No member or other person (not being a director) shall be entitled to visit or inspect any works or premises of the Company without the prior written consent of the Directors, key managerial personnel or such other senior executives, as may be prescribed.
128.	Chief Executive Officer, Manager, Chief Financial Officer and Company Secretary	<p>Subject to the provisions of the Act,—</p> <p>(i) A Chief Executive Officer, Manager, Chief Financial Officer and Company Secretary may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Chief Financial Officer and Company Secretary so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.</p> <p>(ii) A director may be appointed as Chief Executive Officer, Manager, Chief Financial Officer or Company Secretary.</p> <p>A provision of the Act or these regulations requiring or authorising a thing to be done by a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by the same person acting both as director and as, or in place of, Chief Executive Officer, Manager, Chief Financial Officer or Company Secretary.</p>

THE SEAL		
129.	The Seal, its custody and use	<p>a) The Board at its option can provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute or not substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by or under the authority of the Board or a Committee of Board previously given and every deed or other instrument to which the Seal of the Company is required to be affixed shall, be affixed in the presence of at least one Director or the President (s) or the Executive Vice President(s), or manager or the Company Secretary or such other person as the Board/ Committee of the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed in his presence;</p> <p>b) The Company shall also be at liberty to have an Official Seal in accordance with the provisions of the Act, for use in any territory, district or place outside India and such power shall accordingly be vested in the Board or by or under the authority of the Board granted, in favour of any person appointed for the purpose in that territory, district or place outside India;</p> <p>c) On the Seal being destroyed and not substituted by a new Seal or if authorized by the Act or amendment thereto, in lieu of the affixation of the Seal, any deed, document or instrument to which the Seal of the Company is required to be affixed under this clause shall be signed by (i) two directors or (ii) by a director and the Company Secretary, wherever the Company has appointed a Company Secretary or (iii) in any other manner as may be permitted by the Act;</p> <p>d) A Director may sign a share certificate by affixing signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of rubber stamp.</p>
DIVIDENDS AND RESERVES		
130.	Declaration of dividends	The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board, but the Company in general meeting may declare a lesser dividend.
131.	Interim dividends	The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company subject to the requirements of the Act and the Rules.
132.	Dividends only out of profits and not to carry interest	No dividend shall be payable except out of profits of the Company for the year or any other undistributed profits and no dividend shall carry interest against the Company.

133.	Dividends according to paid up capital	<p>a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.</p> <p>c) All dividends shall be apportioned and paid proportionately 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 share shall rank for dividend accordingly.</p>
134.	Reserve funds	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve.</p>
135.	Deduction of debts due to the Company	The Board may deduct any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
136.	Payment by warrant	<p>Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant or demand draft/ pay order sent through the post or by courier or any other means directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>Every cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p>Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.</p>

137.	Waiver of dividends	The waiver in whole or in part of any dividend on any share by any document (whether or not under Seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	
CAPITALIZATION OF PROFITS			
138.	Capitalization	(1)	The Company by a resolution passed in general meeting may, upon the recommendation of the Board, resolve:
		(a)	that it is desirable to capitalize any part of the amount for the time being` standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
		(b)	that such sum be accordingly set free for distribution in the manner specified in clause (2) hereof amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
		(2)	The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) hereunder, either in or towards:-
		(i)	paying up any amounts for the time being unpaid on any shares held by such members respectively.
		(ii)	paying up in full unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid; or
		(iii)	partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
		(3)	A securities premium account and a capital redemption reserve fund or any other permissible reserve account(s) may, for the purpose of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
		(4)	The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
139.	Board's powers on capitalization	(1)	Whenever such a resolution as aforesaid shall have been passed, the Board shall:-
		(a)	make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and
		(b)	generally do all acts and things required to give effect thereto.

ACCOUNTS		
140.	Directors to keep accounts	The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.
141.	Inspection of accounts and books	No member (not being a Director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.
WINDING-UP		
142.	Winding-up	<p>Subject to the applicable provisions of the Act and the Rules made thereunder -</p> <ol style="list-style-type: none"> If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
INDEMNITY AND INSURANCE		
143.	Directors and Officers right to Indemnity	<ol style="list-style-type: none"> Subject to the provisions of the Act, every Director, Managing Director, Whole-Time Director, Manager, Chief Financial Officer, Company Secretary and any other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, chief financial officer, company secretary and any other officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, Manager, Chief Financial Officer, Company Secretary or officer or in any way in the discharge of his duties in such capacity including expenses. Subject as aforesaid, every Director, Managing Director, Manager, Chief Financial Officer, Company Secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

144.	Insurance	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors, employees and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.
145.	Directors and other officers not responsible for acts of others	<p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or 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.</p> <p>An Independent Director, and a non-executive director not being a promoter or a Key Managerial Personnel, shall be liable only in respect of acts of omission or commission, by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he has not acted diligently.</p>
GENERAL POWERS		
146.	General Powers	Wherever in the Act, the Rules or other applicable laws, it has been provided that the Company shall have any right privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case, this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transaction as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

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

Name, address & description of Subscribers.	Number of shares taken by each subscriber.	Witness to signatures.
K. C. Mahindra, Merchant, Taj Mahal Hotel, Bombay.	100	Jal P. B. Neku, Managing Clerk, Messrs. Crawford Bayley & Co., Solicitors, Bombay
Inam Mohammed, Merchant, 7, Albuquerque Road, New Delhi.	1	Jal P. B. Neku, Managing Clerk, Messrs. Crawford Bayley & Co., Solicitors, Bombay

Dated this 28th day of September 1945.