

**SCHEME OF AMALGAMATION
OF
SHREE UTTAM STEEL AND POWER LIMITED
WITH
UTTAM GALVA STEELS LIMITED
AND
THEIR RESPECTIVE SHARHOLDERS**

Scheme of Amalgamation (“the Scheme”) is presented under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 (the “Act”) for Amalgamation of Shree Uttam Steel and Power Limited (SUSPL) with Uttam Galva Steels Limited (UGSL).

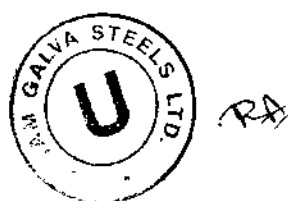
The Scheme is divided into following parts:

PART	PARTICULARS
I.	Dealing with rationale, definitions and share capital
II.	Dealing with Amalgamation of Shree Uttam Steel and Power Limited (SUSPL) with Uttam Galva Steels Limited (UGSL).
III.	Dealing with general terms and conditions

PART – I

1. RATIONALE AND PURPOSE OF THE SCHEME

- 1.1.** UGSL is engaged in manufacturing of intermediate steel products viz Cold Rolled Steel and Galvanised Products and Colour Coated Products Coils and Sheets and entire gamut of steel products including other value added products. The market segment includes Appliance, General Engineering, Automotive, Construction, Packaging and Others.
- 1.2.** SUSPL is in business of trading in steel and is setting up integrated steel plant for manufacturing of steel and related products.



- 1.3. Both the Companies are associate with each other. The management of both the Companies is of view that capital investment required in setting up of production facilities is substantially high and it may not be possible to raise high capital from present shareholders of SUSPL.
- 1.4. SUSPL and UGSL being compatible in terms of nature of their business the amalgamation will result into consolidation of activities of group into single entity which are presently being multiplied because of it being separate entities.
- 1.5. The Amalgamation will provide significant impetus to growth of business of UGSL and able to access infrastructure/ Manufacturing facilities which are being created by SUSPL for setting up an integrated steel plant.
- 1.6. The amalgamation will result in economies of scale, reduction in overheads, administrative, managerial and other expenditure, operational rationalisation, organizational efficiency, and optimal utilisation of various resources and thereby give inherent strength to improve and expand and thus withstand competition from domestic as well as international markets.
- 1.7. Duplication of administrative functions will be eliminated together with the multiple record-keeping, resulting in reduced expenditure.
- 1.8. The amalgamation will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both SUSPL and UGSL.
- 1.9. The Amalgamation will result in the larger pool of financial and other resources, which would strengthen financial position of the merged entity and result in increasing leveraging capacity of the merged entity and facilitating optimum utilisation of assets and other resources.



2. DEFINITIONS

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

- 2.1. **“Act” or “the Act”** means the Companies Act, 1956 or any statutory modifications, amendments or re-enactment thereof for the time being in force.
- 2.2. **“BSE”** means BSE Limited.
- 2.3. **“NSE”** shall mean National Stock Exchange of India Limited.
- 2.4. **“SUSPL” or “the Transferor Company”** means **Shree Uttam Steel and Power Limited**, a company incorporated under the Act and having its registered office at Uttam House, 69, P D M’ello Road, Mumbai – 400 009.
- 2.5. **“UGSL” or “the Transferee Company”** means **Uttam Galva Steels Limited** a Company incorporated under the Act and having its registered office at Uttam House, 69, P D M’ello Road, Mumbai – 400 009.
- 2.6. **“Appointed Date”** means 1st April, 2013 or such other date as may be approved by the High Court of Bombay.
- 2.7. **“Effective Date”** means the date on which certified/authenticated copies of the High Court order sanctioning this Scheme is filed with the Registrar of Companies, Maharashtra, Mumbai.
- 2.8. **‘Board of Directors’** in relation to Uttam Galva Steels Limited and Shree Uttam Steel and Power Limited as the case may be, shall, unless it be repugnant to the context or otherwise, includes a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.
- 2.9. **“Undertaking”** means and includes:



2.9.1. All the properties, whether movable or immovable, tangible and intangible, corporeal or incorporeal, intellectual property, whether in possession or reversion, present or contingent, fixed assets, work-in-progress including expenses incurred to be capitalized and advances for assets, inventories, stock in trade, debtors, current assets, investments, loans and advances, powers, authorities, allotments, approvals and consents, licenses, domain name, tenancy rights, tenancy licenses, permits, quotas, subsidies and incentives, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated 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, including but without being limited to all product patents, process patents, trademarks, copy rights, and other industrial, commercial and intellectual properties, trade names, and other commercial rights of any nature whatsoever including any applications filed for securing of any such intellectual property whether in India or abroad, rights and licenses in respect thereof, privileges, liberties, easements, advantages, benefits, leases, ownership flats, authorizations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and electronic, email, internet, leased line connections and installations, and other services, reserves, provisions, funds, benefits of all agreements and all other interests belonging to or in the ownership, power or possession or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date, (hereinafter referred to as “Assets”).



2.9.2. All debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date (hereinafter referred to 'the said Liabilities').

2.9.3. Without prejudice to the generality of Sub-clause 2.9.1 and 2.9.2 above the undertaking of the Transferor Company shall include all the Transferor Company's movable and immovable properties, tangible or intangible properties, corporeal or incorporeal properties, intellectual properties, whether in possession or reversion, present or contingent, fixed and current assets, work in progress including expenses incurred to be capitalized and advances for assets, inventories, domain names, preliminary and pre-operative expenses, investments, loans and advances, stock-in-trade, cash and bank balances, deposits, claims, investments including in overseas entities, powers, authorities, allotments, approvals, consents, contracts, arrangements, rights, titles, interests, benefits, advantages, tenancy rights, tenancy licenses, leasehold rights and other intangible rights including but not limited to all product patents, process patents, trademarks, copy rights, trade names, or other commercial rights of any nature including any application filed for securing of any such intellectual property whether in India or abroad, rights and licenses in respect thereof, lending contracts, benefit of any arrangement, reversions, powers, deposits, permits, quotas, subsidies, incentives, entitlements, certificates, registrations, licenses (industrial or otherwise), municipal permissions, approvals and consents, systems of any kind whatsoever, rights and benefits of all agreements and other interests including rights, entitlements, any amount claimed from government (whether or not recorded in the books), right to claim refund of any tax, duty, cess or other charges, including right to refund or adjust of any erroneous or excess payments and any interest thereon under any



scheme or statute made by any government, deduction, exemption, rebate, allowance, amortization benefit, etc under the Income Tax Act, 1961, the cenvat / modvat credit balances under the Central Excise Act, 1944, all customs duty benefits and exemptions, export and import incentives and benefits and any other benefits /incentives/ exemption given under any policy announced, issued or promulgated by the government of India, any state government, or any other governmental body or authority or any other like benefits under any statute and advantages of whatsoever nature belonging to or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company , rights and powers of every kind, nature and description, privileges, liberties, easements, advantages, and approval of whatsoever nature and whosoever situated, belonging to or in ownership of the Transferor Company, including but without being limited to industrial rights of any nature whatsoever, authorizations, permits, rights to use and avail of, telephones, telexes, facsimile connections and installations, email, internet, lease line connections and installations, utilities, electricity and other services, reserves, provisions, funds, all records, files, papers, computer programs, software, know-how, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relation 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 and



advantages of whatsoever nature belonging to or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company.

2.10. “**High Court**” shall mean the High Court of Judicature at Bombay. In the event of the National Company Law Tribunal (hereinafter referred to as “**the Tribunal**”) being constituted by the Central Government by a Notification in the Official Gazette and the proceedings initiated under section 391-394 of the Companies Act, 1956 relating to these scheme being transferred to the Tribunal, the words “High Court” shall deem to mean and include the Tribunal, as the context may require.

2.11. “**Scheme**” or “**the Scheme**” or “**this Scheme**” means this Scheme of Amalgamation in its present form as submitted to the Hon’ble High Court or this Scheme with such modification(s), if any made.

2.12. ‘**Record Date**’ means the date to be fixed by the Board of Directors of UGSL for the purpose of determining the shareholders of SUSPL to whom shares will be allotted pursuant to this Scheme post Effective Date.

3. SHARE CAPITAL

3.1. The Share Capital of SUSPL as at March 31, 2013 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
1,00,00,000 Equity Shares of Rs.10/-each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid-up	
64,06,086 Equity Shares of Rs.10/- each, fully paid up	6,40,60,860
Total	6,40,60,860

Subsequent to 31st March, 2013 the Issued, Subscribed and Paid up Share Capital of SUSPL has been increased by Rs.19,95,180/- by issue of further 1,99,518 Equity Shares of Rs 10/- each fully paid at a premium of Rs.1690/- each per shares and accordingly the Authorised,



Issued, Subscribed and Paid-up Share Capital of SUSPL as on date is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
1,00,00,000 Equity Shares of Rs.10/-each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid up Share Capital	
66,05,604 Equity Shares of Rs.10/- each fully paid up	6,60,56,040
TOTAL	6,60,56,040

3.2. The Share Capital of UGSL as at March 31, 2013 is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
17,50,00,000 Equity Shares of Rs.10/-each	175,00,00,000
Total	175,00,00,000
Issued, Subscribed and Paid-up	
14,22,60,103 Equity Shares of Rs.10/-each fully paid up	142,26,01,030
Total	142,26,01,030

Subsequent to March 31, 2013 the Authorised Share Capital of UGSL has been increased to Rs. 500,00,00,000/- (Rupees Five Hundred Crores only) divided into 50,00,00,000 (Fifty crores) Equity Shares of Rs. 10/- each and accordingly the Authorised, Issued, Subscribed and Paid-up Share Capital of UGSL as on date is as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
50,00,00,000 Equity Shares of Rs.10/-each	500,00,00,000
Total	500,00,00,000
Issued, Subscribed and Paid-up	
14,22,60,103 Equity Shares of Rs.10/-each fully paid up	142,26,01,030
Total	142,26,01,030

UGSL shares are listed on BSE Limited and National Stock Exchange of India Limited.



PART – II

4. TRANSFER AND VESTING OF UNDERTAKING

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

4.1. With effect from the Appointed Date, the whole of the undertaking, of the Transferor Company comprising of all properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature and wheresoever situated, shall, under the provisions of Section 391 read with Section 394 and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in clauses 4.2 and 4.3 below), be transferred to and vested in and/or be deemed to be transferred to and vested in, the Transferee Company as a going concern, so as to become as from the Appointed Date, the undertaking and assets of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

4.2. The transfer of movable assets of the Transferor Company shall be effected as follows:

4.2.1. All the movable assets including cheque, bills of exchange, promissory notes and other negotiable instruments, documents of title to goods or properties and cash in hand, if any, of the Transferor Company, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to UGSL. Such delivery shall be made on a date mutually agreed upon between the Board of



Directors of the Transferor Company and the Board of Directors of the Transferee Company.

4.2.2. In respect of movables other than those specified in sub-clause 4.2.1 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons in India and beyond India, the following modus operandi for intimating to third parties shall to the extent possible, be followed, that is to say the Transferor Company and the Transferee Company shall jointly or severally, as may be decided by both of them, give notice in such form as they may deem fit and proper, that pursuant to the High Court having sanctioned, inter alia, the arrangements between the Transferor Company and the Transferee Company and their respective Shareholders under Sections 391 to 394 of the Act the said debts, loans, advances or deposits pertaining to the Transferor Company be paid and/or made good to or be 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 and assigned to the Transferee Company and that appropriate entry shall be made in the books of accounts of the Transferor Company and the Transferee Company to record the aforesaid change.

4.3. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also under the provisions of Section 391



read with Section 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-Clause.

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

4.4. The registrations in the name of the Transferor Company, which are transferable in nature, shall be deemed to be transferred in the name of the Transferee Company from the effective date and the Transferee Company shall give requisite intimations for this purpose to all concerned.

4.5. In case of registrations in the name of the Transferor Company, other than the registrations mentioned above, the Transferee Company may



make a fresh application to the appropriate authorities to procure the same, by complying with the requisite laws or regulations.

4.6. It is clarified that the Scheme shall not in any manner affect the rights and interest of the creditors of the Transferor Company or be deemed to be prejudicial to their interests.

4.7. For the purpose of effectively transferring the amounts lying in the Bank accounts of the Transferor Company and for recovering the amounts due, the Transferee Company shall be entitled to continue with their bank accounts after the Effective Date.

4.8. All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company.

4.9. The existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date



shall continue to relate only 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.

4.10. On and from the Appointed date, loans, advances, debentures, deposits, inter-company balances or other obligations including Share Application Money, if any, due between or amongst the Transferor Company and the Transferee Company shall stand cancelled and there shall be no liability in that behalf. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such loans, advances, debentures, deposits, inter-company balances or other obligations (if any) between or amongst the Transferor Companies and the Transferee Company.

4.11. Upon the Scheme coming into effect, the borrowing limits of the Transferee Company in terms of Section 293(1)(d) of the Act, shall without any further act or deed, stand enhanced by an amount equivalent to the authorised borrowing limits of the Transferor Company where applicable, such limits being incremental to the existing limits of the Transferee Company. The Transferee Company may thereafter increase these limits as enhanced from time to time by obtaining sanction from its shareholders in accordance with the provisions of the Act.

4.12. The Transferee Company shall under the provisions of the Scheme be deemed upon this Scheme coming into effect, to be authorised to execute any such writings on behalf of the Transferor Company, to



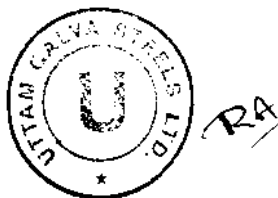
implement and carry out all formalities and compliances, if required, referred to above.

5. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before 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 as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto the Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation in order to give formal effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorised to execute any deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Part B of the Scheme.

6. LEGAL PROCEEDINGS

- 6.1. All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date, 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 Transferor Company.

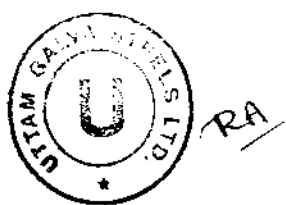


- 6.2. After the Appointed Date, if any proceedings are taken against the Transferor Company in respect of the matters referred to in the sub-clause 6.1 above, it shall defend the same at the cost of the Transferee Company and the Transferee Company shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
- 6.3. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in sub-clause 6.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.

7. **CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE**

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

- 7.1. The Transferor Company shall carry on or deemed to have carried on all their respective business and activities and shall be deemed to have held or stood possessed of and shall hold and stand possessed all the said Assets for and on account of and in trust for the Transferee Company.
- 7.2. All income, profit accruing or losses incurred by the Transferor Company and all costs, charges, expenses and losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit etc) incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit including declaration of dividend, upon the Scheme becoming effective.



7.3. The Transferor Company shall carry on their respective business activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date except with prior written consent of the Transferee Company.

7.4. The Transferor Company shall not, without prior written consent of the Transferee Company, undertake any new business.

7.5. The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management and the business of the Company.

8. EMPLOYEES:

8.1. All employees of the Transferor Company in service on the Effective Date shall become employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company as on the said date.

8.2. It is provided that so far as the Provident Fund, or any other Special Scheme(s) / Fund(s), or similar benefits if any, created or existing for the benefit of the employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Schemes / Funds in accordance with provisions of such Schemes / Funds as per the terms provided in the respective Trust Deeds, to the end



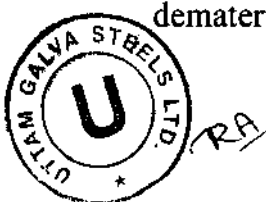
and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such Schemes / Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid Schemes/Funds.

9. ISSUES OF SHARES BY THE TRANSFEE COMPANY

9.1 Upon the Scheme becoming effective and upon amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application or act or deed , issue and allot at par 11 (Eleven) Equity Shares of face value Rs.10/-(Rupees Ten) each credited as fully paid-up in the capital of the Transferee Company to the Equity Share holders of the Transferor Company whose names appear in register of members of the Transferor Company on the Record Date to be fixed by the Board of Directors of the Transferee Company for every 1 (One) Equity Shares of face value Rs.10/-(Rupees Ten) each fully paid-up held by said Equity Shareholder in the Transferor Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, as the case may be.

9.2 Upon allotment of Equity Shares pursuant to Clause 9.1 above, the shares or the share certificates of the Transferor Company in relation to the shares held by its shareholders shall, without any further application, act, instrument or deed be deemed to have been automatically cancelled and be of no effect.

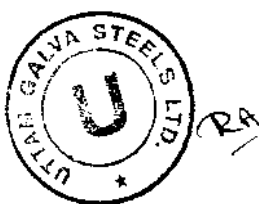
9.3 The shares issued by the Transferee Company to the members of the Transferor Company pursuant to Clause 9.1 above shall be issued in dematerialized form, unless otherwise notified in writing by the



shareholders of the Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the equity shares shall be issued to such members in dematerialized form provided that the members of the Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Transferee Company has received notice from any of the members of the Transferor Company that equity shares are to be issued in physical form or if any member of the Transferor Company has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any member of the Transferor Company do not permit electronic credit of the shares of the Transferee Company, then the Transferee Company shall issue equity shares in physical form to such member(s) of the Transferor Company.

9.4 The Equity Shares issued and allotted by the Transferee Company to the shareholders of the Transferor Company pursuant to this Scheme in terms of Clause 9.1 above shall in all respect rank pari passu with the existing shares of the Transferee Company in respect of dividend, bonus, right shares, voting rights and other corporate benefits.

9.5 The issue and allotment of New Equity Shares in the Transferee Company to the shareholders of the Transferor Company as provided in the Scheme as an integral part thereof, 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.

- 9.6 The New Equity Shares of the Transferor Company issued in terms of Clause 9.1 above, subject to applicable regulations, shall be listed and/or admitted to trading on BSE and NSE where the existing equity shares of Transferee Company are listed and/or admitted to trading.
- 9.7 The Transferee Company will make application for approval, if applicable or filings to Foreign Investment Promotion Board/ Reserve Bank of India/ authorized dealer or appropriate authority, for its approval under the provisions of the Foreign Exchange Management Act, 1999 for the issue and allotment of Equity Shares in the Transferee Company to non-resident shareholder of the Transferor Company in accordance with the provisions of the Scheme.
- 9.8 In case any shareholder's holding in SUSPL is such that the shareholder becomes entitled to a fraction of an equity share of the Company, the Company shall not issue fractional share certificates.

10. ACCOUNTING TREATMENT.

- 10.1. The Transferee Company shall, upon the Scheme coming into effect record all the assets, liabilities and reserves of the Transferor Company vested in it pursuant to this Scheme, at the book values and in the same form as appearing in the books of the Transferor Company thereof at the close of business of the day immediately preceding the Appointed Date, in accordance with 'Pooling of Interest Method' laid down by Accounting Standard 14 (Accounting for Amalgamations) prescribed under Companies (Accounting Standards) Rules, 2006 issued by the Institute of Chartered Accountants of India.



- 10.2. The Transferee Company shall credit in its books of account, face value of the shares issued to the members of the Transferor Company as per Clause 10.1 above, pursuant to the Scheme, to its Share Capital Account.
- 10.3. To the extent, there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be. For the removal of doubts it is hereby clarified that there would be no accrual of interest or other charges in respect of any such inter- company loans or balances with effect from the Appointed Date.
- 10.4. The excess, if any, of the value of the assets over the value of the liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this Scheme and recorded in the books of account of the Transferee Company and after adjusting aggregate value of equity shares issued by the Transferee Company to members of the Transferor Company will be credited to Capital Reserve Account in the books of the Transferee Company. Similarly, deficit if any will be adjusted in Capital Reserve Account in the books of the Transferee Company.
- 10.5. In case of any difference in accounting policy between Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the General Reserve of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.



10.6. Notwithstanding the above, the Board of Directors of the Transferee Company, in consultation with its statutory auditors, is authorised to (a) account any of these or other balances or items in any manner whatsoever, as may be deemed fit or (b) to make such adjustments as may be necessitated.

11. TREATMENT TAXES

11.1. Any tax liabilities / refunds / credits / claims relating thereto under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State sales tax laws, Central Sales Tax Act, 1956 , Service tax, or other applicable laws / regulations dealing with taxes / duties / levies [hereinafter in this Clause referred to as "Tax Laws"] allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the Accounts made as on the date immediately preceding the Appointed Date shall be treated as liabilities / refunds / credits / claims of the Transferee Company and shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS, credit for minimum alternate tax/ service tax as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company.

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



11.3. Without prejudice to the generality of the above, all benefits, credits, refunds, exemptions, incentives or concessions under Tax Laws as may be applicable to which the Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments in India, shall be available to and vest in the Transferee Company.

11.4. The Transferee Company shall be entitled to file / revise its income tax returns, service tax returns, Value Added Tax returns, Central Sales Tax returns, tax deducted at source certificates, tax deducted at source returns and other statutory returns and filings, if required under the Tax Laws, and shall have the right to claim or adjust refunds, advance tax credits, credit for minimum alternate tax / tax deducted at source / foreign taxes withheld/ paid, input tax credits etc. if any, as may be required consequent to implementation of this Scheme.

12. DIVIDEND, PROFIT, BONUS, RIGHT SHARES:

12.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective shareholders in respect of the accounting period commencing from and after Appointed Date and upto the Effective Date. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the Board of Directors of the Transferee Company.

12.2. It is clarified that the provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholders of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.



12.3. Subject to the provisions of this Scheme, the profits of the Transferor Company for the period beginning from 1st April,2013 shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.

12.4. The Transferor Company shall not, except with the consent of the Board of Directors of the Transferee Company, alter its paid up capital structure by making preferential allotment of shares or allot any Bonus Shares or otherwise, after the approval of the Scheme by the Board of Directors of the Transferee Company.

13. DISSOLUTION OF TRANSFEROR COMPANY :

The Transferor Company shall be dissolved without winding up on an order made by the High Court of Bombay under Section 394 of the Companies Act, 1956.

14. TREATMENT OF SCHEME FOR THE PURPOSES OF THE INCOME TAX ACT, 1961

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



PART – III
GENERAL TERMS AND CONDITIONS

15. COMBINATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEREE COMPANY

15.1. Upon the Scheme becoming effective, the Authorised Share Capital of the Transferee Company shall automatically stand increased without any further act or deed on the part of the Transferee Company including payment of stamp duty and registration fees payable to the Registrar of Companies, by clubbing the Authorised Share Capital of the Transferor Company which is Rs 10,00,00,000/- (Rupees Ten Crore only) divided into 1,00,00,000 Equity shares of Rs. 10/- each.

15.2. Consequent to the clubbing of the Authorised Share Capital of the Transferor Company with the Transferee Company, the Authorised Share Capital of the Transferee Company shall be increased to Rs.510,00,00,000 (Rupees Five hundred and Ten Crores only) divided into 51,00,00,000 (Fifty One Crores) Equity Shares of Rs 10/- each.

15.3. The resolution approving the Scheme shall be deemed to be the approval of increase in the Authorised Share Capital of the Transferee Company under Section 94 and other applicable provisions of the Act. Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Transferee Company relating to the Authorised Share Capital, shall without any further act, instrument or deed be and stand altered, modified and amended pursuant to Section 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

*“The Authorised Share Capital of the Company is Rs. 510,00,00,000/-
(Rupees Five hundred and Ten Crores only) divided into 51,00,00,000*



*(Fifty one Crores) Equity Shares of Rs 10/- (Rupees Ten only) each.
The Company has power, from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into other classes, and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privilege or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."*

16. APPLICATION TO HIGH COURT OR SUCH OTHER COMPETENT AUTHORITY

The Transferor Company and the Transferee Company shall make applications / petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Bombay or such other appropriate authority for sanction of this Scheme.

17. MODIFICATION OR AMENDMENTS TO THE SCHEME

17.1. The Transferor Company (by their Board of Directors) and the Transferee Company (by its Board of Directors) may, in their full and absolute discretion, assent to any alteration or modification or amendment of this Scheme which the Courts and/or any other Competent Authority may deem fit to direct or impose and may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith.



17.2. The Board of Directors of the Transferor Company hereby authorize the Board of Directors of the Transferee Company to give assent to any modifications or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of the Transferee Company and the Board of the Transferee Company be and is hereby authorized by the Board of Directors of the Transferor Company to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

18. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein its present form or with any modifications and amendments made under clause 19 of the Scheme shall become effective from the Appointed Date but shall be operative from the Effective Date.

19. **SCHEME CONDITIONAL ON APPROVAL / SANCTIONS**

The Scheme is conditional upon and subject to the following:

- 19.1. Approval of and agreement to the Scheme by the requisite majorities of such Classes of persons of the Transferor Company and the Transferee Company as may be directed by the High Court of Judicature at Bombay on the applications made for directions under Section 391 of the said Act



for calling or dispense with meetings and necessary resolutions being passed under the Act for the purpose.

19.2. The sanctions of the High Court of Judicature at Bombay being obtained under Sections 391 and 394 and other relevant provisions of the Act, if so required on behalf of the Transferor Company and Transferee Company

19.3. In terms of SEBI circular dated 4 February 2013 bearing No.CIR/CFD/DIL/05/2013, approval of shareholders of UGSL shall be obtained by special resolution passed through postal ballot / e-voting after disclosure of all material facts in the explanatory statement in relation to such resolution and such resolution shall be acted upon only if the votes cast by public shareholders in favour of the resolution amounts to at least two times the number of votes cast by public shareholders against such resolution

19.4. The requisite consents, approvals or permissions if any of the Government Authority or any other Statutory Agencies (including RBI) Stock Exchanges, SEBI which by law may be necessary for the implementation of this Scheme.

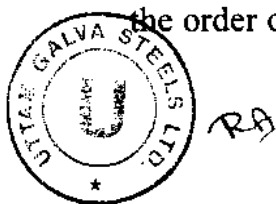
19.5. The Certified Copies or authenticated Copies of such orders sanctioning the Scheme being filed with the Registrar of Companies, Mumbai.

19.6. All other sanctions and approvals as may be required under any law with regard to this scheme are obtained.

20. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 20 not being obtained and/or the Scheme not being sanctioned by the High Court or such other competent authority and / or

the order or orders not being passed as aforesaid, or for any other reason,



the Scheme cannot be implemented, the Scheme shall become null and void and the Transferee Company shall bear the entire cost, charges and expenses in connection with the Scheme unless otherwise mutually, agreed.

21. COSTS, CHARGES & EXPENSES

All costs, charges and all other expenses, arising out of or incurred in connection with implementing this Scheme and matters incidental thereto, Stamp duty and registration fee, if any, of any deed, document, instrument or Court's order including this Scheme shall be borne by the Transferee Company.

