

**MEMORANDUM**

**OF**

**ASSOCIATION**



सत्यमेव जयते

**GOVERNMENT OF INDIA**  
**MINISTRY OF CORPORATE AFFAIRS**

Registrar of companies, Ahmedabad  
RoC Bhavan, Opp Rupal Park Society Behind Ankur Bus Stop, Ahmedabad, Gujarat, India, 380013

Corporate Identity Number: L17110GJ1985PLC033271

**SECTION 13(1) OF THE COMPANIES ACT, 2013**

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

The shareholders of M/s WELSPUN INDIA LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 14-08-2018 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

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

Given under my hand at Ahmedabad this Eighteenth day of September Two thousand eighteen.



**SUDHIR LILADHAR PHAYE**  
Deputy RoC  
Registrar of Companies  
RoC - Ahmedabad

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

WELSPUN INDIA LIMITED

WELSPUN CITY, VILLAGE VERSAMED, ANJAR, Gujarat, India, 370110



भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, गुजरात, दादरा एवं नगर हवेली

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

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

कॉर्पोरेट पहचान संख्या : L17110GJ1985PLC033271

मैसर्स WELSPUN INDIA LIMITED

के अंशधारकों ने दिनांक 13/03/2014 को आयोजित की गई वार्षिक / असाधारण बैठक में एक विशेष विनिश्चय पारित करके कम्पनी अधिनियम, 1956 (1956 का 1) की धारा 18 (1) का अनुपालन करते हुए अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है।

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

अहमदाबाद में यह प्रमाण-पत्र, आज दिनांक तीन अप्रैल दो हजार बौद्ध को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Gujarat, Dadra and Nagar Haveli

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

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

Corporate Identity Number : L17110GJ1985PLC033271

The share holders of M/s WELSPUN INDIA LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 13/03/2014 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section (18)(1) of the Companies Act, 1956 (No. 1 of 1956).

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

Given at Ahmedabad this Third day of April Two Thousand Fourteen.

Registrar of Companies, Gujarat, Dadra and Nagar Haveli

कम्पनी रजिस्ट्रार, गुजरात, दादरा एवं नगर हवेली

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

The digitally signed certificate can be verified at the Ministry website ([www.mca.gov.in](http://www.mca.gov.in)).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

WELSPUN INDIA LIMITED  
WELSPUN CITY, VILLAGE VERSAMEDI,  
ANJAR - 370110,  
Gujarat, INDIA



भारत सरकार-कॉर्पोरेट कार्य मंत्रालय  
कम्पनी रजिस्ट्रार कार्यालय, गुजरात, दादरा एवं नगर हवेली

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

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

कॉर्पोरेट पहचान संख्या : L17110GJ1985PLC033271

मैसर्स WELSPUN INDIA LIMITED

के अंशधारकों ने दिनांक 20/03/2012 को आयोजित की गई वार्षिक / असाधारण बैठक में एक विशेष विनिश्चय पारित करके कम्पनी अधिनियम, 1956 (1956 का 1) की धारा 18 (1) का अनुपालन करते हुए अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है।

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

अहमदाबाद में यह प्रमाण-पत्र, आज दिनांक ग्यारह अप्रैल दो हजार बारह को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS  
Registrar of Companies, Gujarat, Dadra and Nagar Haveli

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

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

Corporate Identity Number : L17110GJ1985PLC033271

The share holders of M/s WELSPUN INDIA LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 20/03/2012 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section (18)(1) of the Companies Act, 1956 (No. 1 of 1956).

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

Given at Ahmedabad this Eleventh day of April Two Thousand Twelve.

Registrar of Companies, Gujarat, Dadra and Nagar Haveli

कम्पनी रजिस्ट्रार, गुजरात, दादरा एवं नगर हवेली

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

The digitally signed certificate can be verified at the Ministry website ([www.mca.gov.in](http://www.mca.gov.in)).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :

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

WELSPUN INDIA LIMITED  
WELSPUN CITY, VILLAGE VERSAMEDI,  
ANJAR - 370110,  
Gujarat, INDIA



No. 11 : 35092

**FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME**

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA,  
BOMBAY.

In the matter of WELSPUN POLYESTERS (INDIA) LIMITED

I hereby approve and signify in writing under Section 21 of the Companies Act, 1956 (Act of 1956) read with the Government of India, Department of Company Affairs, Notification No. G. S. R. 107E dated the 24th June 1985 the change of name of the Company :

from **WELSPUN POLYESTERS (INDIA) LIMITED**

to **WELSPUN INDIA LIMITED**

and I hereby certify that **WELSPUN POLYESTERS (INDIA) LIMITED**

which was originally incorporated on **SEVENTEENTH**  
day of **JANUARY, 1985** under the Companies Act, 1956 and under the name

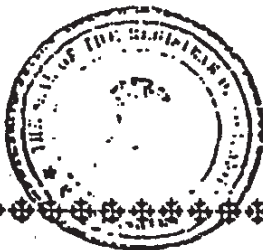
**WELSPUN WINILON SILK MILLS PRIVATE LIMITED** having

duly passed the necessary resolution in terms of section 21/22(1)(a) of the Companies Act, 1956 the name of the said Company is this day changed to

**WELSPUN INDIA LIMITED** and this

certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at BOMBAY this **TWELFTH**  
day of **OCTOBER** one thousand nine hundred ninety **FIVE**.



*R. Vasudevan*  
**DR. VASUDEVAN**  
Registrar of Companies.  
Maharashtra, Bombay.



CO. NO. 04-33271

[संयोजी भाषाविभाग, १९५६ ई. वर्ष १८ (३)]

[Section 18(J) of The Companies Act, 1955]

एक राज्य के दूसरे राज्य में अभिरुद्धांगन कार्यक्रम के अन्तर्गत की प्रति  
कार्यक्रम के अन्तर्गत के अन्तर्गत की अभिरुद्धांगन का अन्तर्गत

**CERTIFICATE OF REGISTRATION  
OF  
THE ORDER OF COMPANY LAW BOARD,  
CONFIRMING TRANSFER OF THE REGISTERED OFFICE  
FROM ONE STATE TO ANOTHER**

\_\_\_\_\_ के विरुद्ध संलग्न हूँ।  
 एडिक्टेशन सत्रों में वा \_\_\_\_\_ राज्य के \_\_\_\_\_ राज्य में अलग-अलग करते समय वा  
 समय समय-समय के उपरोक्त के परिचय कर दिया है और मेरे परिचय के \_\_\_\_\_ वादी \_\_\_\_\_  
 के अलग-अलग हूँ और वे हैं।

The WELSPUN INDIA LIMITED having by Special Resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the State of MAHARASHTRA ~~GUJARAT~~ to the State of GUJARAT and such alteration having been confirmed by an order of COMPANY LAW BOARD WESTERN REGION BENCH, MUMBAI bearing date the 26/8/97 vide Co.Pec.No.351/17/CLB/WR/1997.

मैं समझता हूँ कि जहाँ आपका दिल है वहाँ मैं भी हूँ ।

I hereby certify that a certified copy of the said Order has this day been registered.

मेरे हृदयभर में बहुत सारी चीजें \_\_\_\_\_ को दिया गया ।

Given under my hand at AHMEDABAD this TWENTYNINETH day of OCTOBER 1967

One Thousand Nine Hundred and NINETY SEVEN.



( K. SINGH )

कर्मविशेषों का सम्बन्ध

**Asstt. Registrar of Companies.**

**GUJARAT.**

**DADRA & NAGAR HAVELI**

No. 35082/TA  
FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, MAHARASHTRA, BOMBAY.

In the matter of \*WELSPUN WINILON SILK MILLS PRIVATE LIMITED.

I hereby approve and signify in writing under Section 21 of the Companies Act, 1956 (Act 1 of 1956) read with the Government of India, Department of Company Affairs, Notification No.G.S.R. 507E dated the 24th June 1985 the change of name of the Company from WELSPUN WINILON SILK MILLS PRIVATE LIMITED.

to WELSPUN POLYESTERS (INDIA) LIMITED.

and I hereby certify that WELSPUN WINILON SILK MILLS PRIVATE LIMITED.

which was originally incorporated on SEVENTEENTH day of JANUARY 1985 under the \*\* COMPANIES Act 1956 and under the name WELSPUN WINILON SILK MILLS PRIVATE LIMITED.

having duly passed the necessary resolution in terms of section 21/22(1)(a)/22(1)(b) of the Companies Act, 1956 the name of the said Company is this day changed to WELSPUN POLYESTERS (INDIA) LIMITED.

and this certificate is issued pursuant to section 23(1) of the said Act.

GIVEN UNDER MY HAND AT BOMBAY THIS TWELFTH DAY OF JANUARY 1989 (One thousand nine hundred Eighty Nine).



(V RADHAKRISHNAN)  
ADDL REGISTRAR OF COMPANIES  
MAHARASHTRA, BOMBAY.

Note : 1. \* Here give the name of the Company as existing prior to change.

2. \*\* Here give the name of the Act (s) under which the Company was originally registered and incorporated.



35092/TA.

[कम्पनी अधिनियम, 1956 की धारा 18 (1)]

[Section 18 (1) of Companies Act, 1956]

उद्देश्यों के परिवर्तन को पुष्टि करने वाले न्यायालय के आदेश  
के रजिस्ट्रिकरण का प्रमाण पत्र

CERTIFICATE OF REGISTRATION OF ORDER OF COURT  
CONFIRMING ALTERATION OF OBJECTS.

.....ने वित्त  
संकल्प द्वारा उद्देश्यों की बाबत अपने संगम-आपन, उपबन्धों में परिवर्तन कर दिया है और ऐ  
परिवर्तन की .....तारीख .....के आदेश द्वा  
पुष्टि कर दी गई है।

The Welspun India Ltd. .....having  
by special resolution altered the provision of its Memorandum of Association with  
respect to its objects and such alterations having been confirmed by an order of.....  
C.L.B.W.R. Bench Mumbai.....  
Co. petition No. 83/17/CLB/WR/96.....bearing  
dated the 20/5/96.....

मैं एतद्द्वारा प्रमाणित करता हूँ कि उक्त आदेश को प्रमाणित प्रति व्यापारिक  
संगम आपन की मुद्रित प्रति सहित इस दिन रजिस्ट्रीकृत कर दी गई है।

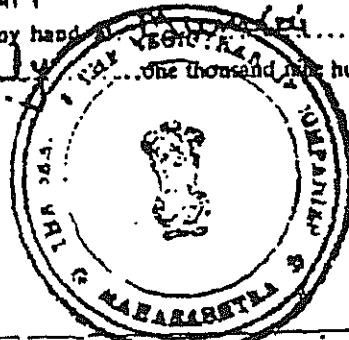
I hereby certify that certified copy of the said order together with the printed or  
of the Memorandum of Association as altered has this day been registered.

मेरे हस्ताक्षर से उन्नीस सौ और .....तारीख .....की  
तारीख को दिया गया।

Given under my hand and seal this Nine  
day of July One thousand nine hundred and Ninety six

Narender  
Kumar Bhola

जे० एस० सी०-5  
J.S.C-5



(T. PANDIAI)

सहायक कम्पनी रजिस्ट्रार

मुंबई





सत्यमेव जयते

प्रारूप नं०. आर.

Form I. R.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

ता.....का. सं.....

No..... 35092.....of .....1984-85 ..

मैं एतद्वारा प्रमाणित करता हूँ कि आज

कंपनी अधिनियम 1956 (1956 का 1) के अर्थात् निगमित की गई है और वह कंपनी  
परिचीनित है।

I hereby certify that WELSPUN WINILON SILK MILLS  
PRIVATE LIMITED is this day incorporated under the Companies Act,  
1956 (No. 1 of 1956) and that the Company is limited.

मेरे हस्ताक्षर के भाग ता. .... को दिया गया।

Given under my hand at BOMBAY this SEVENTEENTH day  
of JANUARY One thousand nine hundred and EIGHTY FIVE.



Sd/-  
(V. GOVINDAN)  
Registrar of Companies.

THE COMPANIES ACT, 1956

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

WELSPUN INDIA LIMITED

- I. The name of the Company is WELSPUN INDIA LIMITED
- II. The Registered Office Of the Company will be situated in the State of Gujarat
- III. The Objects for which the Company is established are :
  - (A). THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION :
    1. To carry on the business of manufacturing, buying, selling, exchanging, procession, importing, exporting or dealing in yarns and fibres including staple fibre and spun yarn, whether cellulosic or non-cellulosic, synthetic yarn and synthetic fabrics, artificial silk yarn, including yarn and fabric cotton, rayon flex, nylon, polyester, acrylic, viscose, poly-propylene, terelene, linin, canvas and fibrous, material or substances, whether natural or man-made for textile, industrial and other uses.
    - ^1A. To carry on trade or business of manufacturing, producing, buying, selling, importing, exporting and otherwise generally dealing in any kinds and description of Tufted Carpet Tiles/Wall to Wall Carpet, rigid tiles made of Carpet Yarn viz Bulk Continuous Filament yarn (BCF), and Drylon Yarn, all types of natural, manmade fibre, Stone, PVC, PVC Composite or any other natural or man-made material and other products allied to carpet, furnishing, surface covering, interiors (whether residential, commercial or otherwise), including and for that purpose to set up all plants and machinery and related equipments and to carry on the business of manufacturing, wholesale or retail, importing, exporting, buying, selling, dealing, acting as agents, stockists, distributors and suppliers in all kind of house and office furnishers, upholsters and dealers in and hirers, repairers, cleaners, storers and warehousers of furniture, carpets, woven carpets, linoleums, furnishing fabrics and other floor coverings, fibre coverings, household utensils, china and glass goods fittings, colourful curtain, home furnishings, whether hand-made or otherwise and carpets, household requisite of all kinds and all things capable of being used therewith or in the maintenance repair thereof and to carry on the business of manufacturers, repairers, importers, exporters or otherwise dealers in furniture and fixtures made from wood, brass, steel, fibre glass, plastics or other alloys.
    - @^1B. To carry on the business of manufacturing, importing, exporting, buying, selling, dealing, acting as agents, stockists, distributors and suppliers in all kind of textiles, cotton, silk, art silk, rayon, nylon, synthetic fibers, staple fibers, polyester, worsted, wool, hemp and other fiber materials, yarn, cloth, linen, rayon and other goods or merchandise whether textile felted, netted or looped, home textiles, technical textiles, home furnishings, readymade garments, coverings, coated fabrics, hosiery, undergarments and silk or merchandise of every kind and description and other production goods, articles and things as are made from or with cotton, nylon, silk, polyester, acrylics, wool, jute and other such kinds of fiber by whatever name called or made under any process, whether natural or artificial and by mechanical or other means and all other such products of allied nature made thereof and also to set up company owned retail outlets or to issue to franchisee rights to buy, sell or otherwise deal in such products.

@ Inserted, and approval of shareholders under section 149(2-A) obtained, vide special resolutions passed by Shareholders by way of postal ballot, the results of which were declared by the Chairman on March 20, 2012.

^ Inserted vide special resolution passed in Annual General Meeting held of the Company held on August 14, 2018.

- (B). THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECT ARE :
2. To carry on business as spinners, weavers, hem-stitchers, knitters, manufacturers, glovers, hatters, dyers, bleachers, cleaners, embroiderers, tailors, dress makers and suppliers of ready-made garments, drapers hosiers and manufacturers of carpets, blankets overcoats and umbrellas.
  3. To own, erect, install, maintain, equip, repair, alter, add to or otherwise handle or deal in spinning mills, weaving mills or any other factories for pressing, ginning, carding, combing, souring, mixing, processing, dyeing or finishing.
  4. To buy, sell, manufacture, import, export and otherwise deal in colours, dyes, chemicals, mill stores, textile stores, machinery, plant and equipment required for the business of the company.
  5. To acquire and take over as a going concern by purchase or on lease and to undertake, to carry on the whole or any part of the business together with the goodwill and trade name, property, rights and liabilities of any person or persons firm or any company carrying on business and to pay for the same by shares, debentures, debenture-stock, bonds or cash.
  6. To amalgamate, enter into foreign or Indian, technical, and / or financial collaboration, partnership or into any arrangements for sharing of profits, union of interest, co-operation, joint venture, reciprocal concession, or otherwise with any person, firm, corporation or government or company carrying on, the Company and to lend money, to guarantee the contracts or otherwise assign any such person, form or company and to take or otherwise assign and hold shares or securities of any such person, firms or companies to sell, hold, re-issue with or without guarantee or otherwise deal with the same.
  7. The Company may at any time invite and receive or without any such invitation receive any, gifts or immoveable or moveable property and offerings or voluntary donation or bequests and legacies either from the shareholders or from any other person or give gifts of immovable or movable property and offerings or voluntary donations, bequests and legacies either to the shareholders or to any other person for all or any of the objects of the Company or otherwise, with or without any special conditions provided such gifts received or gifts made or the conditions attached are not inconsistent with or derogatory to any of the objects of the Company.
  8. To place, to reserve or to distribute as bonus shares in respect with forfeited shares and moneys arising from the sale by the Company of forfeited shares in conformity with the provisions of the Companies Act, 1956.
  9. To Promote, for and to be interested in and take, hold and dispose of shares in any other company having objects similar, altogether or in part, to those of this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the Company and to subsidies or assist any such company financially or otherwise by issuing or subscribing for or guaranteeing the subscription and issue of shares, stock, debentures-stock, or other securities of such company and to transfer to any such company any property of this company and to take or otherwise acquire, hold and dispose of shares, debentures and other securities, in, or of any such company.
  10. To enter into, make and perform contracts and arrangements of every kind and description with Corporate Body, State or Central Government or any companies, firms, persons that may seem conducive to the Company's objectives or any of them and to obtain from any such authority and rights, privileges, charters, contracts, concessions, licenses for purchase and sell or any kinds of goods, machinery, spare parts, securities, shares, stocks, debentures, which the Company for the time being may think desirable to obtain and to carry out, exercise and comply with such arrangements rights, privileges and concessions.
  11. To sell, sublet, mortgage, lease, manage, develop, exchange, dispose of or transfer the business, immovable or moveable property and undertaking of the Company or any part thereof or any part thereof or any part of the property, rights and concessions of the Company, for the time being, may think fit to accept and in particular for cash, shares, debentures, debenture-stock, bonds, securities of any other company having objects altogether or in part similar to those of this company.

12. To receive, raise or borrow money from time to time for any of the purpose of the Company by bonds, debentures or promissory notes or by taking credit, in or opening current account with any individual or firm or with any Bank of Bankers and whether with or without giving any security, goods or other articles or by mortgaging, charging hypothecating any lands, buildings and machinery, goods, assets or revenue of the Company present or future, including its uncalled capital or by the issue of debentures, debenture-stock, perpetual or otherwise, including debentures or debenture-stock convertible into shares of this or any other company, or to convey the same absolutely or in trust and give lenders expedient and to purchase, redeem or pay off such securities subjects to the provisions of Section 58-A of the Companies Act and directives of Reserve Bank of India.
13. To lend or deposit moneys belonging or entrusted to or at the disposal of the Company to such person or company and in particular to customers and others having dealing with the Company with or without security upon such terms as may be thought proper and to invest or otherwise employ such money in such a manner as may be thought proper and from time to time to vary such transactions. However, the Company shall not carry on banking business as defined under the Banking Regulations Act, 1959.
14. To invest and deal with the moneys of the Company not immediately required in immoveable properties, shares, stocks, bonds, debentures, obligations or other securities of any company or association or in Government Securities or in current or deposit account with banks or on the mortgage of immoveable properties of any tenure or on the pledge of moveable property or in any other manner as may from time to time be determined by the Directors of the Company for the time being and from time to time, sell or vary all such investments and execute all assignments, transfers, receipts and documents that may be necessary in the behalf.
15. To advance and/or lend money, either with or without security and generally to such persons, firms, associations, trusts, corporation, companies, upon such terms and conditions as the Company may think fit.
16. To guarantee the payment or money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages, charges, obligations, instruments, stocks and securities, of any company or of any such authorities supreme, municipal, local or otherwise or of any persons whomsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations.
17. Subject to the provisions of the Act, to distribute among the members in specie or kind any property of the Company or any proceeds of sale or disposal of any property of the Company, in the event of winding up.
18. To draw, make, issue, accept, transfer and endorse, discount, execute and negotiate promissory notes, hundies, bills of exchange, cheques drafts, bills of lading, letters of credit, delivery orders, dock-warrants, railway or transport receipts warehouse-keeper's certificate and other negotiable or commercial or mercantile instruments connected with the business of the Company.
19. To open accounts with any bank or banks and to deposit moneys, therein and to draw and endorse cheques on and to withdraw money from such accounts and generally operate upon the same (whether overdraft or not) as may be required for any of the objects or purposes of the Company.
20. To insure any of the persons, properties, undertakings, contracts, guarantee or obligation or profits of the Company of every nature and kind in any manner whatsoever.
21. To refer any dispute, claim or demand by or against the Company to arbitration and observe and perform the awards.
22. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental stations workshops for scientific and technical researches, experiments and tests of all kinds and to promote studies and research both scientific and technical investigations and invention by providing, subsidising endowing or assisting, laboratories, workshops, libraries, training, colleges, schools and other institutions for training lectures, meeting and conferences and by providing the remuneration of scientific or technical professors, or teachers and by providing for the award of exhibitions, scholarship, prizes and grants.

23. To be interested in, promote and undertake the formation and establishment of such institutions, association, chamber of commerce, or other bodies, business, industrial, trading or manufacturing within the objects of the Company as may be considered to be conducive to the profit and interest of the Company and to acquire promote and/or subsidies any industry or undertaking.
24. To undertake and execute any trust the undertaking whereof may seem desirable either gratuitously or otherwise, and/or to make donations to any persons, company or association and to subscribe or guarantee money for any national, international, charitable, benevolent, educational, public object, activity, exhibition, or trade effecting any modification in the constitution of the Company or in the interest of its members or for the welfare of the staff and generally to encourage, promote and reward studies, researches, investigation, experiments, testes and inventions of any kind that may be considered likely to assist any business which the Company is authorized to carry on.
25. To enter into any arrangements and to take all necessary or proper steps with the Government or with other authorities, supreme, national, local, municipal or otherwise of any place in which the Company may have interest and to carry on any negotiations or operation for the purpose of directly carrying out the objects of the Company or effecting any modification in the constitution of the Company or furthering the interest of its member and to oppose any such steps taken by the other company, firm or persons, which may be considered likely directly or indirectly to prejudice the interests of the Company of its member and to promote or assist the promotion, whether directly or indirectly of any legislation which may appear to be in the interest of the Company and to oppose and resist whether directly or indirectly of any legislation which may appear to be in the interest of the Company and to oppose and resist whether directly or indirectly legislation which may seem disadvantages to Company and to obtain from any such government authority or any company, any charter, contracts, decrees, rights, agents, loans, privileges, or connections which the Company may think fit or desirable to obtain or carry out exercise and comply with any such arrangements, charters, contracts, decrees, rights, privileges or concessions.
26. To create any depreciation fund, reserve fund, sinking fund, insurance fund, dividend equalizing fund, capital redemption fund or any other special fund whether for depreciation, or for repairing, improving, extending, or maintaining any of the property of the Company or for redemption of debentures or redeemable preference shares, or for any other purpose whatsoever conducive to the interest of the Company.
27. To provide for the welfare of the Directors, ex-Directors, employees or ex-employees of the Company or its predecessors in business and the wives and families of the dependents or connections of such persons by building or contributing to the building of houses, dwellings, chawls, or quarters or by grants of money, pensions, gratuities, allowances, bonuses, awards, profit sharing or other scheme or trust and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit and to establish, maintain and grant scholarships, money to any person for technical study and education in India and elsewhere in the world which may be necessary or useful for any of the objects of the Company and subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.
28. To pay out of the funds of the Company, all expenses of and incidental to the issue or subscription of the shares or loans or capital including brokerage, underwriting or other commission for obtaining applications for or placing or guaranteeing the placing of shares or any debentures, debenture-stock and other securities of this company and also all expenses attending the issue of any circular or notices and printing, stamping, circulating proxies and forms to be filled up by the members of the Company.
29. To employ experts to investigate and examine into the conditions, prospects, value charter and circumstances of any business, concerns and undertaking and generally of any assets, concessions, properties or rights.
30. To donate or gift, in cash or kind, for any national, charitable, benevolent, public, or useful purposes or to any institution, club, society, research, association, fund, university, college or to any other person or body.

31. To apply for, purchase of otherwise acquire any patents, patent rights, copyrights, trademarks, formulae, licences, concessions and the like or any secret or other information, the acquisition of which may seem calculated directly or indirectly to benefit the Company.
  32. To adopt such means of making known the advertising the business of the Company as may see expedient.
  33. To pay out of the funds of the Company all the cost charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company or any other company promoted by the Company in which the Company is or may contemplate being interested.
- (C). OTHER OBJECTS :
34. To carry on all or any of the business of prospecting, exploring, opening and working mines, drill and sink shafts or well and to pump, refine, raise, dig and quarry for oil, petroleum, gold, silver, diamonds, precious stones, coal, earth, limestone, iron, aluminium, titanium, vanadium, mica, apalite, chrome, copper, gypsum, lead, manganese, molybdenum, nickel, platinum, uranium, ruthenium, sulphur, tin, zinc, zircon, bauxite, tungsten and other ores and minerals.
  35. To carry on in India and elsewhere the business of an Investment Company and to buy, sell, underwrite, invest, acquire, hold and dispense off shares, stocks, debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere or by any government, public body or authority and to deal with and turn to account the same.
  36. To carry on all or any of the business of manufacturers of and dealers in all types of rubber, leather, plastic, latex, celluloid, Bakelite and similar goods and their accessories and fitting, including tyres, tubes, rolls, rollers, shoes and packaging items.
  37. To carry on all or any of the business of manufacturers of and dealers in cement, lime, plaster, ceramics, sanitary fittings, asbestos sheets, chinaware, whitening clay, gravel, sand, minerals, earth, coke, fuel and stone and builders requisites and conveniences of all kinds.
  38. To carry on all or any of the business of manufacturers of and dealers in pulp and paper of all kinds, articles made from paper or pulp and materials used in the manufacture, treatment of paper including packaging goods and materials such as bags, cartons, containers and boxes whether made of paper or plastic.
  39. To carry on all or any of the business of goldsmiths, silversmiths, jewelers, gem and diamond merchants and of, manufacturing and dealing in jewelry, cutlery and their components and accessories and of producing, acquiring and trading in metals, bullions, gold ornaments, silver utensils, diamonds, precious stones, paintings, coins, manuscripts, curious, antiques and objects of art.
  40. To carry on all or any of the business of brewers, distillers, millers, bakers, butchers, confectioner and makers and manufacturers of and dealers in flour, rawa, maida, biscuits, bread, sugar, gur, khandsari, molasses syrups, food articles of all types and descriptions.
  41. To carry on all or any of the business of producing, distributing and exhibiting films or manufacturing and dealing in cameras and photographic equipments and materials and/or renting or hiring out or dealing in all kinds of machinery and equipment.
  42. To undertake, carry out, promote and sponsor rural developments 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 or rural development and to assist execution and 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 in any rural area likely to promote and assist rural development and that the words 'rural area' 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 as rural areas and in order to implement any of the above mentioned objects or purposes, transfer without consideration, or at such fair or concessional value and subject to the provisions of the

Companies Act, divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Public Institutions.

43. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging social and moral responsibilities of the Company to the public or any section of the public as also any activity likely to promote national welfare or to undertake any activity of conservation of natural resources or social, economic or moral uplift of the public or any section of the public and without prejudice to the generality of the foregoing and in such manner by such means from time to time to undertake, carry out, promote and sponsor any activity for publication of books literature, newspapers, or for organizing lectures or seminars, papers or for organizing lectures or seminars likely to advance these objects or for giving merit awards, scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to pursue their studies or academic pursuits or researchers or to take up establishment of any Medical Research Centre, to collect information and advises on modern techniques for treatment of diseases for the benefit of the rural areas either by itself or through any of the agencies and for establishing, conducting or assisting any institution, funds, trust, having any one of the aforesaid objects as one of its objects and giving donations or otherwise in any other manner, in order to implement any of the above mentioned object or purpose, transfer without consideration or at fair or concessional value and subject to the provisions of the Companies Act, divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Public Institutions.
44. To carry on the business of cold storage of fruits, vegetables, seeds, fish, meat, agricultural products, milk and dairy products and other perishable items.
45. To carry on all or any of the business of printers, stationers, lithographers, type founders, stereotypers, electrotypers, photographic printers, printo-lithographers, sinkers, book binders and advertisement agents.
46. To undertake and carry on any of the trades or businesses of shippers, ship owners, ship brokers, ship repairers, shipping agents, dry dockers and ship managers, tug owners, loading brokers, freight contractors, carriers by land, water transport and general contractors, barge owners, lightermen, railways and clearing and forwarding agents, dockowners, warehousing, wharfingers, ship repairers and dealers in machinery, engines, nautical instruments and ship rigging gear fitting and equipments of every description, generally to carry on the said business either as principals or agents, or commission or otherwise.
47. To carry on the business as manufacturers and of dealers in radio sets, television sets, radio receiving and transmission sets, transistors, tape recorders, cassette tapes, videos, video tapes and their accessories, components, parts, air conditioners, wireless apparatus and machinery, appliances and radio and other materials, goods, machinery and requisites.
48. To acquire by purchase lease or otherwise own, develop, turn to account and work mines, mining rights, metalliferous lands or other property or interest including property containing mineral deposits, whatsoever and to search for, get, mine quarry, work, make produce, manufacture, smelt, refine, redeem, dress, treat, make merchantable, buy, sell and deal in limestone, iron stone, res, metals, minerals, clay, earth, lime, cements, tiles, plastic, materials, earthenware, pottery and chinaware.
49. To carry on the business of civil engineers, mechanical engineers, structural engineers, mechanical engineers, structural engineers, automobile engineers, electrical engineers, textile engineers, agricultural engineers, aeronautical engineers, aviation engineers, chemical engineers, steel makers, fabricators, iron founders, welders, tool makers, brass, tin, copper, aluminium and other metal founders, sheet metal workers, boiler makers, mill machinists, iron and steel converters, smiths, wheel-wrights, metallurgists, castings, pressings, forgings, stamping, steel makers, wire drawers, tube, pipe and tank manufacturers, moulders, fitters, saddlers, galvanisers, facturers, enamellers, electro-platers, painters, japanners, annealers, silverplaters, nickelplaters, varnishers, vulcanisers, makers of containers, drums, pressure vessels in all their respective branches, enamellers and to buy, sell, export, import, manufacture, maintain, repair, convert, alter, let on loan or hire and deal in explosives, ammunition, water proofers, plasters, metal plant and equipment, machinery of all kinds, tools appliances, instruments, implement, rolling stock, mechanical, electrical, scientific appliances devices apparatus and hardware printing and ink manufacturing machines.

50. To establish bird, fish, animal and wild life sanctuaries, zoological parks, horticultural gardens and carry on the business of breeding of horses, animal and fish and to conduct the business of racing.
51. To carry on business and trade as travel and tourist agents and contractors and to conduct and manage tours or voyages by rail, road, sea or air of tourists and passengers for facilities to book passage and arrange for reservation and ticket and to provide all kinds of conveniences or facilities during travel, journeys, voyages and flights.
52. To carry on the business of manufacturing, marketing, servicing and leasing computers, work processes and other microprocessors based systems as well as manufacture of software programmes for use with any of the above mentioned items.
53. To carry on the business of film manufacturers, film apparatus manufacturers, film producers, both sound and silent, hippodrome and circus proprietors, manager of cinema house, theatres, concert halls, picture places and studios. To carry on the business of letting or subletting the use of cinema hall theatres, picture or the Company for purpose of use, exhibition, display of films, dramatic or theatrical performances, concerts or other entertainments or amusements or objects allied to or of similar kind as the Company and to provide for the production, direction, exhibition, representation, display whether by mechanical means or otherwise of plays, open air or other theatrical performances, operas, vandeillers, ballets, pantomimes, juggling, mesmeric, yogic, hypnotic spectacular.
54. To carry on the business of running hospitals, nursing homes, clinics, dispensaries, maternity homes, child welfare and family planning centres, diagnostic centres, pathological laboratories, X-ray clinics and also to carry on the business of running crèches.
55. To carry on the business of hire purchase, finance or hire purchase, finance or leasing of all durable, industrial and commercial properties, assets, vehicles, machinery, equipment, tools and instruments of all descriptions refrigerators, air-conditioners, washing machines and household equipments, television and electrical devices.
56. To buy, sell and otherwise deal in organic chemicals, aeronautics, including solvents, fermentation products, synthetic chemicals, textile auxiliaries, catalysts, laminates, polyethelene, pesticides and colouring chemicals dyes, pigments varnishes, paints and industrial chemicals and to manufacture process, produce, convert, buy, sell, import, export and generally deal insolvents of all types of lacquers, synthetic detergents, pesticides, insecticides and fungicides.
57. To carry on the business as sole or general agents, or general agents, or general representatives and sole or general stockiest or distributors, organizers or commission agents of any industrial, commercial or agricultural enterprises.
58. To carry on the business of acting as advisers and consultants on all matters and problems relating to engineering, administration, finance, organization, management, personnel, commencement and expansion of industries, purchasing techniques, production, storage, purchases, sales, marketing, distribution, advertising, publicity, materials, cost and quality control export, import and the rendering of engineering services to individuals, firms, bodies corporate institutions, associations and departments of the Government.
59. To carry on the business and to own, buy, sell, posses, develop, construct, demolish, rebuild, renovate, repair, maintain, let out, hire, rent, lease, pledge, mortgage or otherwise deal in properties, lands and buildings and/or to purchase for investment or re-sale and to traffic in lands and houses and other immovable properties of any tenure and any interest therein and to create an interest, sell and deal in freehold and leasehold ground and land and to promote formation of Co-operative Housing Societies, Companies, Trusts or other Associations and to provide accommodation for residence and business for any other purpose.
- 60\*. To act as dealers, exporters, importers, processors, representatives, agents in commodities products, merchandise, goods, articles and services of all kinds and descriptions.
- 61\*. To carry on the business of collecting, crushing, preserving, processing, manufacturing, producing, extracting, refining, blending, hardening, hydrogenating, fat splitting, oil fractionalizing, preprocessing, making by mechanical and/or chemical processors; and to act as importers, exporters, dealers, distributors, traders, agents, purchasers, sellers, representatives,



collaborators, merchandisers of various oil seeds, oil cakes, deoiled cakes, oils fatty acids, soap detergents, chemical oils, perfumes, vanaspati, edible oils, refined oils, cooking mediums, glycerine, lubricating oils, dehydrated oils, varnishes, cattle feeds, proteins, food products beverages and all other oil based products, and by-products from items such as rice bran, mohuva seed, sesame seed, linseed, sal seed, kardi seed, coconut, palm kernel, rape seed, mustard seed, need seed, castor seed, cotton seed, groundnut, water melon seed, karanjia seed, sunflower seed, citronella, menthola and cakes thereof or oils thereof, and all other natural or synthetic oil bearing substances whatsoever; in India or outside India.

- 62\*. To carry on business of manufacturers, importers, exporters, growers of, ginning and pressing and combing of cotton, silk, hark silk, wool, flax, hemp, jute and other fibres and weavers, spinners, dealers, exporters, importers, processors, dyers, bleachers, cleaners, finishers, combers of any fibres, including silk, synthetics, cotton, velvet, jute, plastic and wool.

\* Inserted vide special resolution passed in Extra-ordinary General Meeting held on 30/11/1991.

- 63\*. To carry on the business of running (whether under license or otherwise), operating, managing, advising on and supplying telecommunication systems and systems of all kinds of the conveyance by any means of sounds, visual images and signals of all kinds and to carry on business of supplying, operating, managing, advising on a dealing in services and facilities of o in relation of all kinds (including without prejudice to the generality of the foregoing, telecommunication, services) and services facilities which incorporate, use, or are used in conjunction with, in connection with or ancillary to, telecommunication systems or telecommunication apparatus and equipment.

- 64\*. a) To carry on the business of generation, distribution, supply, accumulation and employment of electricity including in the terms of electricity, all power to be generated by any conventional or non-conventional source including Hydro, Thermal, Solar, Bio-Mass, Natural Gas, Diesel or Fuel or any other method/technology which have been in existence or which is developed over the time, for captive consumption as well as for sales/distributions/services to others on commercial and/or other considerations, to manufacture or deal in all types of apparatus, equipments, things required for or capable of being used in connection therewith.
- b) To install or to take or give on lease Power Project and plant including Pilot Project for generation, accumulation and distribution of power for captive consumption or for research or commercial or other considerations.
- c) To put up, take on or give on lease or on hire, transmission/distribution lines/power plants / equipments and land through which such line passed and to purchase, sale or bank the power generated by the Company or any other party of the Company or on behalf of others.
- 65\*. a) To own, purchase, run, operate, maintain, charter, hire , lease or otherwise acquire, sell, exchange, trade or deal with ships, boats, tugs, vessels, trawlers, drifters, shipping lines, hoyercrafts, airways, railway and road transport agents, carriers of passengers, goods merchandise, liquid, gases, oil and mails.
- b) To carry on business as ship builders, ship brokers, shipping agents, ship manager, ship charter, barge owners, dock owners, freight contractors, loaders, brokers, container leasing agent, light man, stevedores, wharfinger, salvors, haulage and general contractors.

\* Inserted vide special resolution passed in Extra-ordinary General Meeting held on 28/03/1995.

66.&<sup>A</sup> To undertake, identify, formulate, design, develop, promote, procure, establish, equip, manage, construct, erect, operate, maintain, improve, control, regulate, modify, restructure, re-organise, participate and/or assist in the designing, development, construction, implementation, commissioning, operation and maintenance of infrastructure projects in textile sector and other sectors in special economic zones or otherwise, schemes, facilities, programs or advisory mandates across sectors in India or abroad (including without limitation urban, rural, municipal, social, real estate, industrial, infrastructure) and ancillary facilities and services for commercial use by itself or by members, shareholders and others through other companies promoted by the Company or promoted, identified by the Company or through contractors and operators, on commercial terms by charging, demanding, collecting, auctioning, retaining and appropriating tariffs, charges, tolls, fees, prices, rent and all types of revenues, user fees from users of infrastructure facilities and projects and ancillary services and facilities, accept receivables towards dues, investments, returns, servicing / repayments of debts or capital to arrange for financing of the above activities and to develop integrated textile park inter alia comprising of composite textile units, textile plant and machinery, ginning factories, pressing factories, power looms, effluent treatment plants, drainage, sewerage, waste management, water supply works, transport facilities, marketing facilities, internet facilities, cable and satellite communication network, information technology facilities, telecommunication systems, laboratories, roads, bridges, railway sidings, captive power plants, power generation, transmission, distribution and warehouses research & development centers, yards, parks, parking facilities, training centers and other social infrastructure and social services and associated services of any description and ancillary facilities including municipal services, security services, construction of buildings, factory sheds, design centers, warehouses, raw material depot, crèche, canteen, restaurants, multiplexes, workers' hostel, offices of service providers, clubs, markets, shops, labour rest and recreation facilities, entertainment centers, other commercial premises, real estate development and hoardings and other infrastructure facilities as may be required for the purpose, in public, private sector, partnership mode or any other formats as may be necessary and for this purpose to enter into all types of contracts with government and private entities.

& Inserted vide special resolution passed by the shareholders by way of postal ballot, the result of which was declared by the Chairman on March 13, 2014.

<sup>A</sup> Renumbered vide special resolution passed in Annual General Meeting held of the Company held on August 14, 2018.

(D). AND IT IS HEREBY DECLARED THAT :

- i) The objects incidental or ancillary to the attainment of main object of the Company as aforesaid shall also be incidental or ancillary to the attainments of the other objects of the Company herein mentioned.
- ii) The word 'Company' (said when with reference to this company) in this memorandum shall be deemed to include any individual, any partnership another body or association of persons whether incorporated or not wherever domiciled.
- iii) The objects let forth in each of the several clauses of paragraph III shall extend to any part of the world.
- iv) Nothing in this paragraph shall authorize the Company to do any business which may fall within the purview of the Banking Regulation Act, 1949, or the Insurance Act, 1938.

IV. THE LIABILITY OF THE MEMBERS IS LIMITED

V\*!#%. The Authorised Share Capital of the Company is Rs. 1,555,500,000 /- (Rupees One Hundred Fifty Five Crore Fifty Five Lac Only) divided into 1,555,500,000 (One Hundred Fifty Five Crore Fifty Five Lac) Equity Shares of Re. 1/- (Rupee One only) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force.

\* Altered vide an ordinary resolution passed in the Extra-ordinary General Meeting of the Company held on December 14, 2009.

! Altered pursuant to the Composite Scheme of Arrangement between the Company, Welspun Global Brands Limited and Welspun Retail Limited.

# Altered vide an ordinary resolution passed by the shareholders by way of postal ballot, the result of which was declared by the Chairman on March 04, 2016

% Altered pursuant to the Scheme of Amalgamation between Prasert Multiventure Private Limited and Welspun India Limited.

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

Name, address, description of and occupation of each Subscriber	Number of shares taken by each Subscriber	Signature of Subscriber	Name, address and description of witness
Ramesh Kumar mandawewala S/o. Laxminarayan Mandawewala 121-A, Mittal Tower, Nariman Point, Mumbai – 400 021.	10 (Ten) Equity Shares	Sd/-	Vinod Shah S/o. Vadilal Shah Company Secretary 102-A, Amardeep Mahal, Nanda Patkar Road, Vile Parle (East), Mumbai – 400 057.
Balkrishan Goenka S/o. Shri Gopiram Goenka 121-A, Mittal Tower, Nariman Point, Mumbai – 400 021.	10 (Ten) Equity Shares	Sd/-	Vinod Shah S/o. Vadilal Shah Company Secretary 102-A, Amardeep Mahal, Nanda Patkar Road, Vile Parle (East), Mumbai – 400 057.
Total	20 (Twenty)		

Mumbai, Dated 10<sup>th</sup> January, 1985.

**ARTICLES**

**OF**

**ASSOCIATION**

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

WELSPUN INDIA LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the 29<sup>th</sup> Annual General Meeting held on September 25, 2014 in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Association of the Company.

PRELIMINARY

1. The regulations contained in the Table marked "F" in Schedule I of the Companies Act, 2013 (hereinafter called the Act or the said Act) shall not 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. Table 'F' Not to Apply
2. Subject as aforesaid, any words and expressions defined in the Act as modified up to the date on which these Articles become binding on the Company shall, except where the subject or context otherwise requires, bear the same meanings in these Articles.
3. The marginal notes and the headings given in these Articles shall not affect the construction hereof.

INTERPRETATION

The headings used in these Articles shall not affect the construction hereof.

Gender: Words importing the masculine gender also include the feminine and vice versa as the context may require;

4. The following expressions shall have the following meanings unless repugnant to the subject or context :
- Interpretation  
clause
- (i) "Act" means the Companies Act, 2013 (18 of 2013) and the *rules, notifications, clarifications, circulars and orders issued*, as amended from time to time and shall include any statutory replacement or re-enactment thereof;
  - (ii) "Applicable Law" means any Indian statute, law, ordinance, regulation, rule, bye law, administrative interpretation, writ, injunction, directive, judgement or decree or other instrument which has a force of law in India;
  - (iii) ~~Deleted~~;
  - (iv) "Beneficial Owner" shall mean the beneficial owner as defined in clause (a) of sub-section (I) of section 2 of the Depositors Act, 1996;
  - (v) "Board" or "Board of Directors" means the duly constituted Board of Directors of the Company;
  - (vi) "Company" means Welspun India Limited, a company incorporated under the Companies Act, 1956;
  - (vii) "Debenture" includes Debenture stock, bonds and other securities of the Company, whether constitution a charge on the assets of the Company or not;
  - (viii) "Depository" shall mean a depository as defined in clause(e) sub-section (I) of section 2 of the Depository Act, 1996;
  - (ix) "Directors" means the Directors on the Board of Directors of the Company;
  - (x) "Dividend" – includes interim dividend;
  - (xi) "Financial Year" shall mean a period of twelve months commencing from 1<sup>st</sup> April of any calendar year and ending on the 31<sup>st</sup> March of the next calendar year;
  - (xii) "Financial Statements means:

- (i) a balance sheet as at the end of the financial year;
  - (ii) a profit and loss account, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year;
  - (iii) cash flow statement for the financial year;
  - (iv) a statement of changes in equity, if applicable; and
  - (v) any explanatory note annexed to, or forming part of, any document referred to in sub-clause (i) to sub-clause (iv).
- (xiii) “Key Managerial Personnel” means “Key Managerial Personnel” means the Chief executive officer or the managing director; the company secretary; wholtime director; chief financial officer; and such other officer as may be notified from time to time in the Rules.
- (xiv) “Month” means the calendar month’;
- (xv) “National Holiday” means the day declared as national holiday by the Central Government.
- (xvi) “paid-up share capital” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;
- (xvii) “Register” or “Register of Members” means the Register of Members to be kept pursuant to Section 88 of the Act;
- (xviii) “Rules” means any rule made pursuant to Section 469 of the Act or such other provisions pursuant to which the Central Government is empowered to make rules, and shall include such rules as may be amended from time to



time.

- (xix) \*%Deleted
- (xx) \*"Shareholder" and "Member" means a person whose name is registered in the register of members of the Company as the holder of a Share and shall include Beneficial Owner in the records of a depository;
- (xxi) "Share" means share in the Share Capital of the Company, and includes stock except where a distinction between stock and share is expressed or implied;;
- (xxii) Singular Number words importing the singular number include where the context admits or requires the plural numbers and vice-versa;
- (xxiii) "Special Resolution" and "Ordinary Resolution" means an ordinary resolution, or as the case may be, special resolution referred to in Section 114;
- (xxxxii) "These presents" means the Memorandum of Association and the Articles of Association and the Regulation of the Company for the time being in force;
- (xxxxii-a) "Transfer" means (in either the noun or the verb form and including all conjugations thereof with their correlative meanings) with respect to the Shares, the sale, pledge, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly) of any Shares or of any interest therein or the creation of any third party interest in or over the Shares.

Subject as aforesaid any words or expressions defined in the Act shall except where the subject or context forbids, bear the same meaning in these articles.

5. None of the funds of the Company shall be employed in the purchase of shares of this company and it shall not give any financial assistance for or in connection with the

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\*% Deleted vide Special Resolution passed at the Annual General Meeting held on August 31, 2021

purchase or subscription of any share in this company save as provided in Section 68 of the Act.

6. Notwithstanding anything contained in the Articles, but subject to the provisions of Sections 68 and other applicable provisions, if any, of the Act as amended from time to time and subject to such rules, regulations, conditions, approvals or consents as may be laid down for the purpose, the Company shall have the power to buy-back its own securities, whether or not there is any consequent reduction of capital. If and to the extent permitted by law, the Company shall have the power to re-issue the securities so bought back. Buy-back of securities
7. Copies of the Memorandum and Article of Association of the Company and other documents referred to in section 17 of the Act shall be furnished to every member at his request within 7 days on payment of Rs. 100 or such other fee as may be specified in the Rules for each copy of the documents. Copies of these presents to be furthered.

#### SHARE CAPITAL

8. The Authorised Share Capital of the Company is shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association with power to increase and reduce the capital of the Company or to reclassify, sub-divide, consolidate and increase or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force.
- a) any shares including any option to subscribe for shares in the original or increased capital may from time to time be issued with any such right or preference whether in respect of dividend; or repayment of capital or both, on the footing that any such shares may be determined as provided by the Articles of Association

of the Company then in force and Act,;

- b) the rights of holders of all classes of shares for the time being forming part of the Capital of the Company may be modified, affected, varied, extended or surrendered either with the consent in writing of the holders of three fourth of the issued shares of the class or with the sanction of a special resolution of the members of that class;
- c) subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid-up on such equity shares respectively at the commencement of the winding up;
- d) any unclassified shares (whether forming part of the original capital or of any increased capital of the Company) may subject to the provisions of the Act be issued by the Directors upon such terms and conditions and with such rights and privileges as the Board may deem fit and which are not inconsistent with the Articles of Association.
- e) "Notwithstanding anything contained in the Articles of Association, the company shall be entitled to dematerialize its Share, Debentures and other securities pursuant to the Depositories Act, 1996, and to offer its Shares, Debentures and other securities for subscription in a dematerialized form".

#### SHARES AND CERTIFICATES

9. The shares in the capital of company shall be numbered progressively according to their several denominations and except in the manner hereinafter mentioned no shares shall be subdivided.

The right or privileges conferred upon the holders of the shares of any class issued with preference 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 or modified or affected by the creation or issue of further shares ranking pari passu therewith.

The provisions of Section 43, 45, 46 and 47 of the Act in so far as the same may, be applicable shall be observed by the company.

10. Subject to the provisions of these Articles and the Act, the shares shall be under the control of the Directors who may, subject to the provisions of Section 62 of the Act allot or otherwise dispose of the same or any of them to such persons and in such proportion and on such terms and condition and either at a premium at par or at a discount and at such time and for such consideration as the Directors think fit. As regards allotment from time to time, the law in force, if any, relating thereto, shall be compiled with, provided that option or right to call of shares shall not be given to any person or persons except with the sanction of the Company in general meeting.

Shares at the disposal of the Directors

11. a) Subject to the provision of Section 55 of the Act, the Company shall have power to issue preference shares which are, or at the option of the Company or at the option of preference shareholder, on such terms and conditions as the Board may decide, liable to be redeemed and the resolution authorizing such issue shall prescribe the manners terms and conditions of redemption.

Powers to issue Redeemable Preference Shares

Provided that :

- (i) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption;
- (ii) no such shares shall be redeemed unless they are fully paid;
- (iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the company or out of the Company's securities premium account before the shares are redeemed;
- (iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a

reserve fund, to be called “the Capital Redemption Reserve Account”, a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act, apply as if the capital redemption reserve account were paid up share capital of the Company.

(v) The Redeemable Preference Shares shall not confer upon the holders thereof the right to vote either in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 47 of the Act.

(vi) The rights, privileges and conditions for the time being attached to the Redeemable Preference Shares may be varied, modified or abrogated in accordance with the provisions of these Articles and of the Act.

b) Subject to the provision of the Act and the guidelines issued by the Central Government from time to time under the provisions of the Act, the Company may issue Convertible Preference Shares (CP) in such manner as the Board of Directors of the Company may decide and specifically provide for :

- (i) the quantum of issue;
- (ii) the terms of the issue with particular reference to the conversion of CP in to the equity shares of the company;
- (iii) the rate of preferential dividend payable on CP; the voting rights to be attached to CP and any other terms and conditions which may be attached to the issue of CP and as permissible in law.

12. The Directors may allot and issue shares in the capital of the Company as partly or fully paid in consideration of any property sold or goods transferred or machinery supplied or for services rendered to the Company or the conduct of its business and any shares which may be so allotted may be issued, shall deemed to be fully or partly paid-up shares and is so issued, shall deemed to be fully Directors may allot shares for consideration other than cash.

or partly paid-up shares, as the case may be.

13. a) An application signed by or on behalf of any applicant for shares of the Company followed by an allotment of any share therein shall be an acceptance of shares and every person who thus or otherwise accepts any shares and whose name is on the register shall for the purpose of these Articles, be a Member.
- b) The Company shall further be entitled to maintain a Register of Members with the details of the dematerialization form in any media as permitted by law including any form of electronic media.
14. Subject to the provisions of Section 40 of the Act the Company may pay commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, subject to the following conditions, namely:
- i) the commission may be paid out of proceeds of the issue or the profit of the company or both
- ii) the rate of commission paid or agreed to be paid shall not exceed, in case of shares, five percent of the price at which the shares are issued and in case of debentures, shall not exceed two and a half per cent of the price at which the debentures are issued
- iii) the amount or rate of percent of the commission paid or agreed to be paid, on shares or on debentures offered to the public for subscription, is disclosed in the Prospectus, and in the case of shares or debentures not offered to the Public for subscription, is disclosed in the Statement lieu of Prospectus and filed before the payment of the commission with the Registrar and where a circular or notice not being a prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;
- iv) the number of shares or debentures which such persons have agreed for a commission
- Acceptance of shares
- Payment of commission on issue of shares or debentures.

to subscribe, absolutely or conditionally is disclosed in the manner aforesaid and

- v) a copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.
- (a) Save as aforesaid and save as provided in Section 53 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of :
- i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or;
  - ii) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or;
  - iii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company, or the money be paid by as the nominal purchase money or contract price, or otherwise.
- (b) Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.
- (c) A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received for payment of any commission, the payment of which if made directly by the Company would have been legal

under Section 76 of the Act.

- (d) The commission may be paid or satisfied (subject to the provisions of the Act and these articles) in cash, or in shares, debentures or debenture-stocks of the Company.

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| 15. | The Board of Directors shall observe the restrictions as to allotment of shares on the public contained in Sections f of the Act, and shall also cause as required by Section 39 of the Act, the return of allotment to be filed.  | Restrictions on allotment and return of allotment.                  |
| 16. | The Company may from time to time by ordinary resolution increase the share capital by such sum to be divided into shares of such amount as may be specified in resolution.  | Power to increase capital.  |
| 17. | The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as may be specified in the resolution sanctioning the increase of share capital and in particular such shares may be issued with a preferential or qualified right to dividends and the distribution of assets of the Company.   | To what restrictions the shares issued                              |
| 18. | Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by creation of new shares shall be as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender transfer and transmission, voting and otherwise.  | Conditions subject to which new shares to rank with original shares |
| 19. | Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares; such shares shall be offered –<br><br>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely: –<br><br>(i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date | Further issue of share capital to members                           |



of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(ii) the offer aforesaid 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; and the notice referred to in clause (i) shall contain a statement of this right;

(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company;

(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or

(c) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

(d) NOTWITHSTANDING anything contained in the preceding paragraph, the further shares as aforesaid may be offered to any person (whether or not such a person or persons include persons, who, at the date of the offer, are holders of the equity shares of the Company) in any manner whatsoever, if a special resolution to that effect is passed by the Company in general meeting.

(e) Notwithstanding anything contained in sub-clause (c) and sub-clause (d) above, but subject, however, to section 62(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such

debentures or loans into shares, or to subscribe for shares in the Company.

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| 20. | The Company may subject to the provisions of Sections 52, 55 and 66 and such other provisions of the Act as may be applicable, by special resolution reduce in any manner with the subject to the confirmation of the court or Tribunal as may be applicable and/or any incident authorized and consent required by law:   | Reduction of capital                    |
|     | <ul style="list-style-type: none"> <li>a) Its share capital in any way in particular without prejudice to the generality of the foregoing, power may;               <ul style="list-style-type: none"> <li>(i) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;</li> <li>(ii) either with or without extinguishing or reducing the liability on any of its shares cancel any paid up share capital which is lost or is unrepresented by available assets; or</li> <li>(iii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company.</li> </ul> </li> <li>b) Any capital redemption reserve account ; or</li> <li>c) Any share premium account.</li> </ul> |   |
| 21. | The Company may, by ordinary resolution :  | Sub-division and consolidation of share |
|     | <ul style="list-style-type: none"> <li>(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares ;</li> <li>(b) Convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination :</li> <li>(c) Sub-divided its shares or any of them into shares smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount if any, unpaid on such reduced shares shall be same as it was in the case share from which the reduced share is derived ; and</li> </ul>   |   |

- (d) Cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
22. The resolution, whereby shares are sub-divided, may determine that as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Sub division may result in advantageous to one shareholder over the other
23. If and whenever as the result of issue of new shares consolidation or sub division of shares, any shares become held by member in fractions, the Directors, shall subject to the provisions of the Act and the Articles and to the directions of the Company in general meeting, if any sell those shares which members hold in fractions for the best price reasonable and obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. Sale of fractional shares.
24. (a) The Company may be ordinary resolution : Conversion of fully paid up shares in stock.
- (i) convert any fully paid-up shares into stock and
- (ii) reconvert any stock into fully paid up shares of any denomination.
- (b) 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 amount, shall not exceed the nominal amount of the shares from which the stock arose. Transfer of stock
- (c) 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 Powers and rights of stock holders.

such privilege or advantage (except participation in the dividends and profits of the Company and in assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares conferred that privilege or advantage.

- (d) Such of the Articles of the Company (other than those relating to share warrants), as any applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in these presents shall include "stock" and "stock-holder" respectively. Articles to apply to stock.

25. Subject to the provisions of Section 48 of the Act whenever the Share Capital is divided into different classes of shares, all or any of rights and privileges attached to any class may be modified or varied by the Company with sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class. Power to modify rights

Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.

This article is not to derogate from any power of the Company would have had if these Articles were omitted.

All the provisions contained in these Articles as to the general meetings (including the provisions relating to the quorum at such meetings) shall mutatis mutandis apply to every such meeting.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly prohibited by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

26. If any share is registered in the name of two or more persons : as joint holders thereof, the person first named in the Register shall, as regards delivery of the share certificates, receipt of dividends or bonus shares or service of notice and all or any other matter connected with the

Company except voting or appointing proxy meeting and the transfer of the shares, be deemed to be the sole thereof, but the joint holders of a share shall be, severally as well as jointly liable for the payment of all installments and calls due in respect of such shares and for all incidents thereof according to the Company's regulations. Upon the death of a registered joint owner the surviving registered joint owners or owner shall be deemed by the Company to be absolutely entitled to the shares.

27. Subject to the provisions of Section 89 and other applicable provisions of the Act and save as herein otherwise provided 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 by law required be bound to recognize any trust, benami or equitable or other claims to or interest in such share on the part of any other person or any interest in any fractional part of a share whether or not it shall have express or other notice thereof. No notice of any trust express, implied or constructive shall be entered on the register of members or of debenture holders.
- Trust not recognised
- Further, the Company shall also be entitled to treat the person as the holder of any share(s) whose names appear as the Beneficial Owner of the shares in records of the Depository, as the Beneficial Owner of the shares in records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as required by law) be bound to recognize any benami trust or equity or equitable contingent or other claim to or interest in such shares on the part of any other person whether or not it shall have express or implied notice thereof.
28. Every member shall leave in writing at the registered office of the Company his permanent address in India, occupation, description and father's name (husband's name in case of married women) and will also intimate to the Company any change therein from time to time such address for all purposes shall be deemed to be his proper address.
- Members to furnish address etc.
29. No member who shall change his name shall be entitled
- Notice of

- to recover any dividend or to vote in the name other than the one registered with the Company, until notice of the change of name or of marriage, respectively is given to the Company in order that the same be registered. changes of name or of marriage of member
30. The shares or other interest of any member in the Company shall be movable property, transferable in the manner provided by these Articles. Certificates
- †%A Certificate of the Company, specifying any shares held by any member shall be, prima facie, evidence of the title of the member of such shares.
- ‡%Every member shall be entitled, without payment, to one certificate of the Company for all the shares registered in his name or in the case of shares of more than one class being registered in his name, to a separate certificate for each of such class of shares so registered. Every certificate of shares in respect of which it was issued and the distinctive numbers of such shares and amounts paid up thereon respectively. Every certificate shall be signed as per provisions of Article 176.
- No Share Certificate(s) shall be issued for shares held in a dematerialised form.
31. If any member shall require additional certificates he shall pay for each additional certificate such fee, if any, not exceeding Rupee Fifty as the Directors may determine. Additional certificate
32. A certificate may be renewed or a duplicate thereof may be issued if such certificate :- Renewal of certificate and duplicate certificates
- (a) is proved to have been lost or destroyed or
- (b) having been defaced, mutilated or torn and is surrendered to the Company.
33. Notwithstanding anything contained in Articles 30, 31 and 32 hereof the manner of issue or renewal of a certificate or issue of a duplicate certificate, the form of a certificate (original or duplicate or renewed) the particulars to be entered in the Register of Members or in the Register of renewed or duplicate shares, the form of Form, manner of issue of certificates

† % Altered vide Special Resolution passed at the Annual General Meeting held on August 31, 2021

‡ % Altered vide Special Resolution passed at the Annual General Meeting held on August 31, 2021

such Register the fee on payment of which the terms and conditions if any (including terms and conditions as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence) on which a certificate may be renewed or a duplicate thereof may be issued shall be as prescribed by Companies (Management and Administration) Rules, 2014, and any modification made from time to time.

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| 34. | The company shall within two months after the allotment of any of its shares and within six months after the allotment of any of its debentures and within one month after the application for the registration of the transfer of any such shares and/or debentures, complete and have ready for delivery the certificates of all shares and/or debentures allotted or transferred unless the condition of issue of the shares or debentures otherwise provide and shall comply with the requirements of Section 56 and other applicable provisions (if any of the Act. | Time for delivery of certificates  |
| 35. | Save as otherwise provided by Section 66 to 70 of the Act, none of the funds of the Company shall be applied in the purchase of or in lending on security of any shares of the Company.  | Fund of company not to be applied/in purchase of or lending of shares of the company |
| 36. | Every endorsement of transfer in favour of any transferee thereof or payment of call upon the certificate of any share shall be signed by a Director or secretary or by any other person for the time being duly authorized by the Board of Directors or a committee of the Board authorized to deal with shareholders in that behalf.   | Endorsement of transfer of shares or payment of call                                 |

#### CALLS

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| 37. | The Directors may from time to time by a resolution passed at a meeting of the Board make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, whether on account of nominal value of the shares or by way of premium and not by the condition of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Directors. A | Calls |
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call may be made payable by installments. A call may be revoked at the discretion of Board.

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, immediately, on the insertion of the name of the holder of such shares, become a debt, due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

38. At least fourteen days' notice of any call shall be given by the Company either by letter to the members or advertisement specifying the time and place of payment and the person to whom such call shall be paid.
39. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed. When call deemed to be made
40. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class. Calls for further capital to be made on uniform basis
41. The Board of Directors, may from time to time, at its discretion, extend the time fixed for the payment of call and may extend such time as to all or any of the members, who on account of residence at a distance or some other reasonable cause may be deemed fairly entitled to such extension but no member shall as a matter of right be entitled to such extension save as a matter of grace and favour. Directors may extend time for payment of call.
42. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, or any extension thereof the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of ten per cent per annum from the day appointed for the payment thereof to the time of the actual payment or at such other rate as the Directors may, in their absolute discretion waive payment Calls to carry interest.



of any interest wholly or in part in the case of any person liable to pay such call or installment.

43. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares either by way of principle or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided for non-payment of the whole or any balance due in respect of the shares. Partial payment or any indulgence shown not to preclude forfeiture.
44. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the capital due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the member paying such sum in advance and the Directors may at any time repay the amount so advanced on giving to such member one month's notice in writing. The member shall not, however, be entitled to dividend or to participate in profits of the Company or to any voting rights in respect of the money so paid by him until the same would, but for such payment, become presently payable. Payment of calls in advance.
45. On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any money due in respect of his shares, it shall be sufficient to prove that the name of the member is entered in the register as the holder of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his representative in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matters whatsoever but the proof of the matters aforesaid shall be conclusive proof of the debt. Evidence in action for calls.
46. If by the terms of issue of any share or otherwise the whole or any of the amount or issue price thereof is made Amount payable at fixed time or

	payable at any fixed time or by installments at fixed time every such amount or issue price of installments thereof shall be payable as if it were call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or issue price or installment accordingly.	by installments payable as calls.
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| 47. | Every member, his executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may for the time being remain unpaid thereon in such manner as the Directors shall from time to time in accordance with the Company regulations require or fix for the payment thereof. | Every members to pay the proportion of the capital represented by his share. |
| 48. | Any money due from the company to a member may without the consent notwithstanding the objection of such member be applied by the Directors in or towards the payment of any money due from him to the Company for calls, installment or otherwise.  | Money due to the Company may be applied towards calls etc.                   |

#### TRANSFER AND TRANSMISSION OF SHARES

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| 49. | The Company shall keep a book, to be called the "Register of Transfers" and therein shall be fairly and distinctively entered particulars of every transfer or transmission of any share.   | Register of transfer.        |
| 50. | An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall in the case of a partly paid share be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Article 56, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of Member the name of the transferee in the same manner and subject to the same conditions as if the applications for registration of the transfer was made by the transferee. | Mode of transfer.            |
| 51. | The instrument of transfer of any share shall be duly stamped and executed both by the transferor and the   | Instrument of transfer to be |

- transferee and shall contain the name, address, stamped and description, occupation and father's/husband's name of executed. the transferee. Each signature to such transfer shall be duly attested by one witness who shall also add his address.
52. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof. Form of transfer.
53. The transferor shall be deemed to remain the holder of such share (or shares) until the name of the transferee is entered in the Register Of Members in respect thereof. Transferor to remain holder of shares until transferee's name entered in the register.
54. Every instrument of transfer duly stamped and executed by or on behalf of the transferee shall be delivered to the Company or its duly appointed agent for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares, provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and transferee, has been lost the company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer, register the transfer on such terms as to indemnity as the Directors may think fit. The instrument of transfer of shares shall be deposited with the Company within such time or times as may be prescribed by the Act or Rules made thereunder. Transfer form to be delivered to the Company or its duly appointed agent and evidence of title given.
55. The Directors may, if they so deem fit, charge in respect of every registration of membership on transmission and every registration of transfer of shares such fee as they may determine from time to time. The Directors may in their discretion not charge any such fees. Fee on transfer or transmission.
56. No transfer shall be made to any minor or person of Share not to be

- unsound mind, but in the event of such transfer being transferred to  
registered, the transferor shall remain liable to the minor or persons  
Company for all moneys due on the share so transferred of unsound.  
notwithstanding such transfer.
57. Subject to the provisions of Section 58 of the Act, the Board, without assigning any reason for such refusal, may, within one month from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a share upon which the Company has a lien or the Board does not approve. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except for a lien on shares. Power to refuse registration of transfer
58. In the case of refusal to register the transfer of any shares, the Company shall within one month from the date on which the instrument of transfer was lodged with the Company send to the transferee and the transferor a notice of refusal. Notice of refusal to be given to the transferor and transferee.
59. All instruments of transfer, which shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same. Instrument of transfer to be retained.
60. The Directors may, on giving seven day's previous notice by advertisement at least once in a vernacular newspaper in the principal vernacular language of the district and having a wide circulation in the place where the registered office of the company is situated, and at least once in English language in an English newspaper circulating in that district and having wide circulation in the place where the registered office of the company is situated and publish the notice on the website as may be notified by the Central Government and on the website, if any, of the Company, close the transfer books and Register of Members or debentureholders for any time or times not exceeding in the whole forty-five days in each year but not exceeding thirty days at a time. Closure of the transfer books.
61. The registration of a transfer shall be conclusive evidence Registration of

- of the approval by the Directors of the transfer so far only as the shares transferred are concerned but not further or otherwise nor shall it incapacitate the Directors from claiming the right to refuse registration of transfer of shares on any subsequent transfers applied for. transfer conclusion of evidence approval by Directors.
62. Neither the Company nor the directors shall incur any liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown on appearing in the Register of Members) to the prejudice of any person or persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company or the Directors may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice, or referred thereto, in any book of the Company and neither the Company nor the Director shall be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company and the Directors shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if they shall so think fit. The Company not liable to disregard any notice prohibiting registration of a transfer.
63. The executor or administrator of the holder of a succession certificate in respect of shares of deceased member (not being one of several joint holders) shall be the only person whom the company shall recognise as having any title the share registered in the name of such member and in case of the death of any one or more of the joint holder of any registered share, the survivor or survivors shall be the only person recognized by the Company as having any title or release the estate of a deceased joint holder from liability on share held by him jointly with any other person. Before recognizing any executor or administrator or legal heir the Directors may require him to obtain a grant of Probate or Letters of Administration or Succession Certificate or other legal representation as the case may be from competent Court, provided nevertheless that in any case where the Transmission of registered shares.

Directors in their absolute discretion think fit it shall be lawful for the Directors to dispense with the production of probate or Letters of Administration or a Succession Certificate or such other legal representation upon such terms as to indemnity or otherwise as the Directors may think fit and under the next article register the name of any person who claim to be absolutely entitled to the share standing in the name of the deceased person.

64. (a) Any person becoming entitled to a share, in consequent of death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer, in accordance with these presents, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Director think sufficient, may with the consent of the Directors (which they shall not be under any obligation to give) and upon giving such indemnity as the Directors think fit either be registered himself as the holder of such share or may subject to the regulations as to transfer hereinbefore contained elect to have some persons nominated by him and approved by the Directors registered as the transferee thereof, provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing in favour of his nominee an instrument of transfer of such shares in accordance with the provision herein contained and until he does so, he shall not be freed from any liability in respect of the share. The Article is herein after referred to as the "transmission clause".
- Registration of person entitled to share otherwise than by transfer.
- (b) The Directors shall have the same right to refuse to register a person entitled by transmission of any shares or his nominee as if he was transferee named in an ordinary instrument of transfer presented for registration.
65. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until and unless an indemnity be given to the company with regard to such registration
- Evidence of transmission to be verified.

which the Directors at their discretion, shall consider sufficient, provided nevertheless that there shall not be any obligation on the company or the directors to accept any indemnity.

66. Until the Directors otherwise determine a person becoming entitled to a share by transmission shall not be entitled to receive notices of or save as provided in Article 109 hereof to attend or vote at meetings of the company, or save as aforesaid, to any of the rights and privileges of a member unless and until he shall be registered himself as a member in respect of the share. Right of such person.
67. Notwithstanding anything contained herein, in the case of transfer of shares/debentures or other marketable securities where the company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply”.

#### LIEN ON SHARES

68. The Company shall have a first paramount lien upon all the shares (other than fully paid shares) registered in the name of each member (whether solely or jointly with other) and upon the proceeds of sale thereof for all money (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition that this Article is to have full effect and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the company’s lien, if any, on such shares. The directors may at any time declare any shares to be exempt wholly or partially from the provisions of this Article. Company lien on share.
69. For the purpose of enforcing the Company’s lien on shares the Directors may sell the shares subject thereto in such manner as they think fit and transfer the same to the name of the purchaser without any consent and notwithstanding any objection or opposition on the part of the indebted member or any other person or persons interested therein and a complete title to the shares which Lien enforced by sale.

shall be sold be acquired by the purchaser, by virtue of such sale and transfer against such indebted member and all persons claiming with or under him, whether he may be indebted to the company in point of fact or not. Any such transfer may be signed on behalf of such member by any one of the Directors provided however that no such sale shall be made until such period as aforesaid shall have arrived and until notice in writing stating the amount due, or specifying the liability or engagement and demanding payment or discharge or fulfillment thereof and of the intention to sell in default shall have been served upon such member, of his legal representatives, or upon the persons (if any) entitled by transmission to the shares and default shall have been made by him or them, in payment, fulfillments or discharge or such debts, liabilities or engagements for seven days after the date mentioned in such notice.

70. The net proceeds of the sale shall be received by the company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any shall be paid to such member, his executors or administrators or assigns or other legal representatives as the case may be. Application of proceeds of sale.

#### FORFEITURE OF SHARES

71. If any member fails to pay any money due from him in respect of any call made or, installment due on any share or any sum which by the terms of issue of any becomes payable at fixed time, whether on account of the amount of the share, or by way of premium on or before the day appointed for the payment of the same, or any such extension thereof or any interest due on such call or installment, or any expenses that may have been incurred thereon, the directors or any person authorized by them for that purpose, may at any time thereafter, during such time as such money remains unpaid, give notice to such member or legal representative or person then by way of advertisement, requiring him to pay the money payable in respect of such share, together with such interest that may have accrued and all expenses that may have been incurred by the company by reason of such non payment. If any money payable on shares not paid notice to be given to member



72. The notice shall name a further day (not earlier than the expiry of fourteen days from the date of service of the notice) on or before which and a place or places at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non payment at or before the time and at the place appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited. If notice not complied with shares may be forfeited.
73. If the requisitions of any such notice as aforesaid are not complied with any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividend declared in respect of the forfeited shares and not actually paid before the forfeiture. It notice not complied with shares may be forfeited.
74. Where any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, or to his legal representative or the person entitled to the share by transmission by writing sent to the registered address of such member or of such representative or persons through such person then by way of advertisement and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members. The provisions of this article are however discretionary only and no forfeiture shall in any manner be invalidate by any omission or neglect to give such notice or to make any such entry as aforesaid. Notice of forfeiture
75. Any share so forfeited shall deemed to be the property of the Company and the directors may sell, re-allot or otherwise dispose of the same upon such terms and in such manner as they may think fit. Upon any sale, re-allotment or other disposal, the certificate or certificates originally issued in respect of those shares shall stand cancelled and become null and void and of no effect. Forfeiture share to become property of the Company.
76. In the meantime and until any share so forfeited shall have been sold, re-allotted or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the directors, be remitted and annulled Forfeiture remitted or annulled

as a matter of grace and favour but not as of right, upon such terms and conditions as they think fit.

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| 77. | Any member whose shares shall have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon, from the time of the forfeiture until payment, at such rate not exceeding nine per cent per annum as the directors may determine in the same manner in all respects as if the shares have not been forfeited without any deduction or allowance for the value of the shares at the time of forfeiture and the directors may (but it being not so obligatory) enforce the payment of such money or any part thereof if they think fit without entitling such member or his representative to any remission of such forfeiture or to any compensation for the same on behalf of the company as they shall think fit.  | Member still<br>liable to pay<br>money due<br>notwithstanding<br>forfeiture. |
| 78. | The forfeiture of a share involves the extinction of all interest in and also of all claims and demands against the company in respect of the shares and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.   | Effect of<br>forfeiture  |
| 79. | A certificate in writing under the hands of a Director or any other person who may be appointed for the purpose by the Directors that the call or installment in respect of a shares was made or was due or the interest in respect of a call or installment was payable as the case may be that notice thereof specified as aforesaid was given and default in payment was made and that the forfeiture of the shares was made by a resolution of the Directors to that effect shall be sufficient evidence of the facts stated therein as against all persons entitled to or interested in such shares and such certificate and the receipt of the company for the price such share shall constitute a good title to such share in the purchase of allottees of such share who shall as he has completed his purchase or accepted such allotment, be entered in the Register of Members as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement) be entitled to any of the dividends, interests or bonuses accrued or which might have accrued | Certificate of<br>forfeiture.  |

upon the shares before the time of completing his purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money or allotment money nor shall his title to the share be affected by any irregularity in the proceedings in reference to the forfeiture of such share or the sale thereof.

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| 80. | The Directors may accept the surrender of any share by way of compromise of any question so to the holder being properly registered in respect thereof or on any other terms they think fit, provided that the Directors shall not have the power to purchase the share of any member with the money of the Company.   | Directors may accept surrender of any share. |
| 81. | Upon any sale after forfeiture or surrender of for enforcing a lien exercised by virtue of the powers herein before given, the Directors may cause the purchaser's name to be entered in the Register in respect of the shares held and the person to whom the shares are sold or disposed of shall not be bound to see to the regularity of the proceedings or to the application of the purchase money nor shall his title to the share be effected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. The validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the company exclusively. | Validity of share                            |

#### GENERAL MEETINGS

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| 82. | The company shall in each year hold in addition to any other meeting, an Annual General Meeting and shall specify the meeting as such in notices calling it and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. | Annual General Meeting. |
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Provided further that not more than six months shall elapse between the expiry of the Financial Year of the Company and the day of the Annual General Meeting except in case provided for in the forgoing proviso.

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| 83. | Every Annual General Meeting shall be called for a time during business hours, that is between 9 am to 6 pm, on a day that is not a National Holiday and shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated.  | Time and place of Annual General Meeting.  |
| 84. | All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings.  | Extra ordinary General Meeting.  |
| 85. | The Directors may whenever they think fit, and they shall on the requisition of the holders of not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit of such requisition carries the right of voting in regard to that matter to be considered at the meeting forthwith, proceed to convene an extra-ordinary general meeting of the Company and in case of such requisition provisions of Section 100 of the Act shall apply.  | Requisition for Extra Ordinary General Meeting                                     |
| 86. | In case Extra-ordinary General Meeting being called in pursuance of requisition, no business other than that stated in the requisition as the objects of the meeting shall be transacted.   | Business of meeting called by requisition.   |
| 87. | A general meeting of the Company may be called by not less than clear 21 days' notice in writing, but a general meeting may be called by giving a shorter notice, than that specified above if consent is accorded thereto by members of the company holding not less than 95% of such part of the paid up share capital of the company as gives them a right to vote at that meeting provided that where any members of the company are entitled to vote only on some resolutions to be moved at the meeting and not on the others those members shall be taken into account for the purpose of this Article in respect of the former resolution or resolutions and not in respect of the later. | Notice of meetings.  |
| 88. | Notwithstanding anything mentioned in these Articles, the Company may send any communication including notice of general meeting, annual report etc. to any persons by electronic mode as may be permitted under applicable laws.<br><br>A member may notify his email address if any, to which   | Service of Notice, Reports, Documents and other communications by electronic mode. |

the notices and other documents of the company shall be served on him by electronic mode.

The Company's obligation shall be satisfied when it transmits the email and the company shall not be responsible for failure in transmission beyond its control.

89. (a) Every notice of a meeting of the company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.
- (b) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the company.
90. In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to : Special business at General Meeting.
- (a) the consideration of the Accounts, Balance Sheet and the Reports of the Directors and the Auditors
- (b) the declaration of a dividend
- (c) the appointment of Directors in place of those retiring, and
- (d) the appointment of and the fixing of the remuneration of the Auditors.
- In the case of any other meeting, all business shall be deemed special.
91. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular, the nature of the concern or interest, if any, therein of:
- every Director,
  - the Manager, if any
  - every Key Managerial Personnel and
  - relatives of persons mentioned at a, b and c.

Provided that where the notice of a meeting is given by advertising the same in a newspaper, the statement of material facts need not be annexed to the notice as aforesaid but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

Provided further that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to or affects any other company the extent of share holding interest in that other company of every Director, or the Manager, if any, of this company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up share capital of such other company.

Where any item of business to be transacted at the meeting consists of according the approval of the meeting to any document, the time and place where the document can be inspected shall be specified in the Explanatory Statement.

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| 92. | Where under any provision of the Act, or these Articles special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which notice is served or deemed to be served and the day of the meeting. The Company shall, immediately after receipt of such resolution give its members notice of the resolution in the same manner as it gives notice of the meetings, or if that is not practicable, shall give them notice of the meetings, or if that is not practicable, shall give them notice thereof, either by advertisement in the newspaper having an appropriate circulation or in any other mode allowed by the Articles not less than seven days before the meetings. Special notice shall be in compliance with Section 116 of the Act. | Special Notice           |
| 93. | The accidental omission to give notice of any meeting to, or the non receipt of any notice by any manner shall not invalidate the proceedings at any general meeting.  | Omission to give notice. |
| 94. | The Company shall keep the registers maintained by it  | Reports,                 |

open for inspection by any member.

statements and registers to be laid on the table.

#### PROCEEDINGS AT GENERAL MEETING

95. Subject to the provision of Article 99 of the quorum for a General Meeting shall be thirty members personally present. Quorum
96. No business shall be transacted at any general meeting unless the quorum requisite shall be present at the commencement of the business. Quorum to be present when business commenced
97. Notwithstanding anything mentioned in these Articles, the Company may hold General Meeting(s) with participation of entitled persons by electronic mode including voting and any other incidental thing(s) by electronic mode as may be permitted under applicable laws. Meeting by Electronic Mode.
98. No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the chair is vacant. The Chairman of the Board of Directors shall be entitled to take the chair at every meeting or if there be no such Chairman or, at every meeting he is not present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman of the meeting the members present, shall choose another Director as Chairman and if no director is present or if all the directors present decline to take the chair then the members present shall choose one of their number being a member entitled to vote to be Chairman. Chairman of General Meeting.
99. If within half-an-hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon requisition as aforesaid, shall be cancelled but in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and such time and place as the directors may determine and if at such adjourned meeting a quorum be not present within 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 When if quorum not present meeting to be dissolved and when to be adjourned.

meeting was called.

100. At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in the manner mentioned in Section 109 of the Act and unless a poll is so demanded a declaration by the Chairman that a resolution has on a show of hands been carried, either unanimously or by a particular majority and an entry to that effect in the book containing 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 that such resolution. What is to be evident of the resolution where poll not demanded.
101. Where a poll is to be taken the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a member present at the meeting, provided such a member is available and willing to be so appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutinizer from office and to fill vacancies in the office of scrutinizers arising from such removal or from any other cause. Scrutineers poll
102. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by as specified in Section 109 of the Act. Poll how demanded.
103. If a poll is demanded as aforesaid it shall, subject to the provisions of Article 106 be taken in such a manner and at such time and place as the Chairman of the meeting directs and either at once or otherwise not being later than 48 hours from the time of such demand and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. Poll
104. The Chairman of a general meeting may with the consent of the meeting and shall if so directed by the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any Power to adjourn General Meeting.



adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

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| 105. | In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands has taken place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled as a member. | Casting votes   |
| 106. | Any poll duly demanded on the election of a Chairman of meeting or any question of adjournment, shall be taken forthwith.   | In what cases polls taken without adjournment.        |
| 107. | The demand of a poll except provided under Article 106 shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.  | Business may proceed notwithstanding demand for poll. |
| 108. | The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting either on show of hand on poll.  | Chairman's decision conclusive.                       |

#### VOTE OF MEMBERS

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| 109. | Subject to any right or restrictions for the time being attached to any class or classes of shares, on a show of hands, every equity shareholder present in person shall have one vote and on a poll the voting right of every equity shareholder whether present in person or by proxy shall be in proportion to his share of the paid up equity capital of the Company.   | Vote of members                          |
| 110. | Except as conferred by Section 48 of the Act, the holders of preference shares shall have no voting rights. Where the holder of any preference share has a right to vote on any resolution in accordance with the provisions of Sub-section (2) of Section 47 of the Act his voting right on poll as the holder of such share shall, subject to Section 50 of the Act, be in the same proportion as the capital paid up in respect of the preference shares bears to the total paid | Voting rights of preference shareholder. |

up equity of the Company.

111. 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 poll, by his committee or other guardian and any such committee or guardian may, on a poll, vote by Proxy. If any member is a minor the vote in respect of his share may be given by his guardian or any one of his guardians, if more than one to be selected in case of dispute by the Chairman of the meeting. Voting in case of a lunatic or minor.
112. Any person entitled under the transmission clause to transfer any share may vote at any general meeting in respect thereof in the same manner as if he was registered last before the time of holding the meeting or adjourned meeting as the case may, at which he proposes to vote and he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. Voting in respect of shares of deceased and bankrupt members.
113. Where there are joint holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto and if more than one of such joint holders be present at any meeting, personally or by proxy that one of the said persons so present whose name stands first on the register in respect of such share, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stand shall for the purpose of this Article be deemed joint holders thereof. Joint holder
114. Subject to the provisions of these Articles, votes may be given either personally or by proxy, or in the case of a company by its duly authorized representative who has been recognized and accepted by the Company. No member present only by proxy shall be entitled to vote on a show of hands unless such member is a corporation present by a proxy who is not himself a member is a corporation present by a proxy who is not himself a member of the Company, in which case such proxy shall vote on a show of hands as if he were member of the Company. Vote may be given personally or by proxy.

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| 115. | %§The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorized in writing or, if the appointer is a body corporate, be signed by an officer or an attorney duly authorized by it. A proxy need not be a member.   | Instrument appointing proxy to be in writing.      |
| 116. | The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarial certified copy of the power of authority shall be deposited at the registered office or corporate office of the Company not less than forty eight hours before the time for holding the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.   | Instrument of proxy to be deposited at office.     |
| 117. | Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit, be as provided in <i>the</i> Companies (Management and Administration) Rules, 2014.   | Form of proxy.                                     |
| 118. | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which vote is given, provided no intimation in writing of the death, revocation or transfer shall have been received at registered office or corporate office before the meeting.  | When vote by proxy valid though authority revoked. |
| 119. | No member shall be entitled to vote either personally or by proxy at any general meeting or meetings of a class of shareholders or upon a poll unless all calls or other sums presently payable by him in respect of shares held by him having been paid on in respect of which the company has and has exercised a right or lien.  | Votes of members whose calls are in arrears.       |
| 120. | 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 and the Chairman of the meeting shall be the sole judge of the validity of every vote tendered at such meeting. | Objection to qualification of voter.               |

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<sup>§</sup> % Altered vide Special Resolution passed at the Annual General Meeting held on August 31, 2021

## DIRECTORS

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| 121. | Until otherwise determined by a general meeting, the number of directors shall not be less than three or more than fifteen.   | Number<br>Directors    | of |
| 122. | Any trust deed for securing debenture or debenture stocks may if so arranged provide for the appointment from time to time by the trustees thereof or by the holders of the debentures stocks of some person to be a Director of the Company and may empower such trustees or holders or debentures or debenture stock from time to time to remove any Directors so appointed. The Director appointed under this Article is herein referred as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.   | Debenture<br>Directors |    |
| 123. | Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Public Financial Institution as defined in Section 2(72) of the Act or so long as any such public financial institution continues to hold debentures in the Company by direct subscription or private placement, or so long as any such public financial institution holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by any such public financial institution on behalf of the Company remains outstanding, such public financial institution shall have a right to appoint from time to time, any person or persons or Directors is / are hereinafter referred to as "Nominee Director/s", on the Board of the Company and to remove from such office any person or persons "so appointed and to appoint any person or persons" in his or their place/s. | Nominated<br>Directors |    |

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

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to such lending financial institution or so long as such lending financial institution holds Debentures in the Company as a result of direct subscription or private placement or so long as such lending financial institution holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any Guarantee the moneys owing by the Company to such lending financial institution is paid off or furnished by such lending financial institution.

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

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to such lending financial institution and the same shall accordingly be paid by the Company directly

to such lending financial institution. Any expenses that may be incurred by such lending financial institution or such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to such lending financial institution or as the case may be to such Nominee Directors.

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

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

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| 124. | If and when any mortgage of the properties and undertaking of the Company is created, the mortgagee or mortgagees may have the right to appoint and from time to time remove and reappoint a director or directors in accordance with the provisions of the Indenture of Mortgage. The Directors appointed under this Article are referred to as the "Mortgagee Directors" and shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or removed by the Company and the term "Mortgagee Director" means the Director for the time being in office under this Article. | Mortgage<br>Director          |
| 125. | The Directors shall not be required to hold any shares as qualification shares.  | Qualification of<br>Directors |
| 126. | Every director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net   | Remuneration of<br>Directors. |

profits of the Company or partly by the other.

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| 127. | The directors may allow and pay to any director who travel for the purpose of attending and returning from meeting of the Board of Directors or any committee thereof, general meeting or in connection with the business of the Company his travelling and hotel and other expenses incurred by him in consequence or for the purpose of his attendance and in connection with the business of the Company in addition to his fees for attending such meetings specified above and other remuneration payable to him.  | Travelling expenses incurred by Directors on Company's business. |
| 128. | If any director, being willing, shall be called upon to go or reside outside his place or residence for the Company's business or otherwise perform extra services, the Directors may subject to the provisions or Sections 197 of the Act, arrange with such Directors for such special remuneration for such services, either by way of salary or commission or by a percentage of profits, or the payment of a fixed sum of money as may be either in additional to or in substitution of his remuneration above provide. The Directors shall also be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with the business and affairs of the Company. |  |
| 129. | The Continuing Director may act notwithstanding any vacancy in their body but so that if the number falls below the minimum above, fixed the Directors shall not except for the purpose of filling vacancies or to call a general meeting act so long as the number is below the minimum.   | Directors may act notwithstanding vacancy.                       |
| 130. | The Directors shall have power at any time and from time to time to appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum fixed as above. But any Director so appointed shall hold office only until the next following annual general meeting of the Company or the last date on which the annual general meeting should have been held, whichever is earlier and shall then be eligible for re-election.  | Powers of Directors to appoint additional directors.             |
| 131. | The Directors of the Company may appoint an Alternate Director to act for a director (hereinafter called "Original Director") during his absence for a period of not less than three months from India in which meeting of the directors  | Alternate Directors  |

are held. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to such state. If the term of office of the Original Director is determined before he returns to such state any provision in the Act or in these Articles for the automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

132. If the office of any Directors appointed by the company in general meeting is vacated before his term of office expires in the normal in course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office, if had not been vacated as aforesaid. Power of Directors to fill in casual vacancy.

#### DISQUALIFICATION OF DIRECTORS

133. Subject to Section 167 of the Act, the office of a director shall become vacant if ; Disqualification
- (a) he incurs any of the disqualifications specified in section 164; or
  - (b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board; or
  - (c) he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested; or
  - (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184; or
  - (e) he becomes disqualified by an order of a court or the Tribunal constituted under ; or



- (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months, regardless of whether such director has filed an appeal against the order of the court; or
- (g) he is removed in pursuance of the provisions of this Act; or
- (h) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company; or

#### REMOVAL OF DIRECTORS

134. (a) The Company may by an ordinary resolution remove a Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act or debenture director or mortgage director nominated director) before the expiry of his period of the office. Power to remove directors by ordinary resolution.
- (b) Special notice shall be required of any resolution to remove a Director under this Article or to appoint somebody instead of a Director so removed at the meeting at which he is removed.
- (c) A vacancy created by the removal of a Director under this Article may if he had been appointed by the Company in General Meeting or by the Board, be filled by the appointment of another director in his stead by the meeting at which he was removed provided special notice of the intended appointment has been given under sub-clause (b). A director so appointed shall hold office until the date upon which his predecessor would have held office if he had not been removed as aforesaid.

#### ROTATION OF DIRECTORS

135. Not less than two-third of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of directors by rotation and save as otherwise expressly provided in the Act and these Articles, be appointed by the Company in General meetings. The remaining shall be appointed in Retirement of Directors to retire annually.

accordance with the provisions of these articles.

Independent Directors appointed as per the provisions of the Act shall not be counted in the total number of Directors for the purpose of this Article.

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| 136. | At every Annual General meetings of the Company one third of such of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three then the number nearest to one third shall retire.   | Number of Directors to retire annually.                                   |
| 137. | Subject to the provisions of Sections 161 and 169 of the Act, the Directors liable to retire by rotation under Article 135 at every Annual General Meeting shall be those who have been longest in office since last appointment, but as between persons who become Directors on the same day, those who are to retire shall in default of subject to any agreement among themselves be determined by lot.   | Ascertainment of Directors retiring by rotation and filling of vacancies. |
| 138. | A retiring Director shall be eligible for re-election.   | Eligibility for re-election.  |
| 139. | The Company at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing the retiring Directors or some other person thereto.  | Appointment of successors.  |
| 140. | If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a National Holiday, till the next succeeding day which is not a National Holiday, the same time and place.   | Provision in default of appointment.                                      |
| 141. | If the adjourned meetings also the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring director shall be deemed to have been re-appointed at the adjourned meetings, unless :<br><br>(a) at the meeting or at the previous meeting resolution for the re-appointment of such director had been put to the meeting and lost.<br><br>(b) The retiring director, has by a notice in writing addressed to the company or its Board of Director expressed his unwillingness to be so re-appointed | Retiring Directors when deemed to be re-appointed.                        |

- (c) He is not qualified or is disqualified for appointment.
  - (d) A resolution whether special or ordinary is required for the appointment or re-appointment by virtue of any provisions of the Act; or
  - (e) The provisions of Section 162 of the Act is applicable to the case,
142. No person, not being a retiring director shall be eligible, for election to the office of director at any General meetings unless he or some other member intending to propose him has at least fourteen clear days before the meeting left at the Registered Office a notice in writing under his hand signifying his candidature for the office of director of the intention of such member to propose him. The Company shall inform the member of the candidature of a person for the office of director intention of a member to propose such person as a candidate for the office as required by Section 160 of the Act. Notice of candidature for Directorship.
143. Every person who has been appointed to hold the office of a director shall on or before the appointment furnish to the company a consent in writing to act as such. The Company shall within thirty days of the appointment of a director, file such consent with the Registrar. . Consent to be filed with the company and Registrar.
144. The Company shall keep at its Registered Office and a Register containing the particulars of its Directors and other persons, if any mentioned in Section 170 of the Act and shall within the period of 30 days mentioned in the said Section send to the registrar a return containing the particulars specified therein and shall otherwise comply with the provisions of the said section in all respects.
145. (a) Every Director of the Company (including Key Managerial Personnel shall, within 30 (thirty) days of his appointment to and relinquishment of any of the above offices in any other body corporate disclose to the company the particulars relating his offices in the other body corporate which are required to be specified under Section 170 of the Act. Disclosure by Director of appointment to any other body corporate.
- (b) Every Director and every person deemed to be Director of Company shall give notice to the Company Certificate of Disclosure by

of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section.	Directors of shares and debentures of the Company, etc.
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#### MEETINGS OF THE BOARD OF DIRECTORS

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| 146. | The directors may meet together for the discharge of business, adjourn and otherwise regulate their meetings and proceedings from time to time as they deem fit. Provided further that a meeting of Board of Directors shall be held at least four times in a year.   | Meeting of Directors                       |
| 147. | Notwithstanding anything mentioned in these Articles, the Company may hold Board Meeting(s) or Committee Meeting(s) with participation of entitled persons by electronic mode including voting and any other incidental thing(s) by electronic mode as may be permitted under applicable laws.  | Meeting by Electronic Mode.                |
| 148. | The Director may at any time and Secretary shall upon such request of any director call a meeting of the Directors at such place as he may think fit for the disposal of business. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every director for the time being in India and at his usual address in India to every other director.  | Who may call a meeting of Directors.       |
| 149. | The quorum for a meeting of the Board of Directors of the Company shall be one third of its total strength or two Directors whichever is higher and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum. Provide that where at any times number of interested Directors exceeds or is equal to two-third of the total strength, the number of the remaining directors who are not interested present at the meeting being not less than two, shall be the quorum during such time. | Quorum.                                    |
| 150. | If a meeting of the Board cannot be held for want of a quorum then the meeting shall adjourned to 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, at the same time and place.  | Adjournment of meeting for want of quorum. |
| 151. | A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or  | Power of a meeting at which                |

- any of the authorities, powers and discretion by or under these articles are for the time being vested in exercisable by the Directors generally. quorum present. is
152. The directors may elect a Chairman of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, then the directors present shall choose one of their member to be the Chairman of such meeting. Chairman
153. The question arising at any meeting of Directors shall be decided by a majority of vote. In case of an equality of votes the chairman will have a second or casting vote. How questions to be decided.
154. (a) The Board may, subject to the provisions of Section 179 and other applicable sections, if any of the Act, delegate any of its powers to committees or sub-committee or sub-committees consisting of such member or members of their body as they think fit and they may from time to time revoke and discharge any such committee or sub-committee, either wholly or in part and either as to persons or purposes, but every such committee shall in the exercise of the powers so delegate, confirm to any regulations that may from time to time be imposed by the Board. All acts done by any such committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise and have the like force and effect as if done by the Board. Delegation of powers to committee etc.
- (b) The Board may from time to time delegate all or any of the powers and authorities to any officer of the Company except those powers which under the Act or by these presents are required to be exercised or performed by the Board.
155. The meetings and proceeding of any such committee or sub-committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto are not superceded by any regulations made by the Board under the last preceding Article. Proceedings of Committee

156. A resolution shall be a valid and effectual as if it had been passed at a meeting of the Directors or for the Committee thereof duly called and constituted if it is circulated in draft together with necessary papers if any to all the Directors or to all the members of the Committee then in India (not being less number than the quorum fixed for a meeting of the Board of Committee as the case may be) and to all other Directors or Members at their usual address in India and has been approved by such of the Directors as are in India or by a majority of such of them as are entitled to vote on the resolution. Resolution by circulation.
157. All acts done by any meeting of the Directors, or of a Committee of Directors or by any person acting as a Director, shall notwithstanding that it may afterwards be discovered that there was some defects in the appointment of any one or more such Directors or of any person acting as aforesaid, or that they or any of them were of was disqualified be a valid as if every such Director or person had been duly appointed and was qualified to be a Director or a Members of a Committee. Provided that nothing in this Article shall be deemed to give validity to act of a person aforesaid after his appointment has been shown to be invalid. Proceedings valid inspite of defects.

#### MINUTES

158. (1) The company shall cause Minutes of all proceedings of every general meeting and of all proceedings of every meetings of its Board of Director of every Committee of the Board to be kept by making, within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot, entries thereof in the books kept for the purpose with their page consecutively numbered. In no case the minutes of the proceedings of any meeting shall be attached to any such book by pasting or otherwise.
- (2) Each page of every such books shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed.
- (a) in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the

Chairman of the next succeeding meeting.

- (b) In the case of minutes of proceedings of a General Meeting by the Chairman of the same meeting within the said thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.
- (3) (a) The Minutes of each meetings shall contain and a correct summary of the proceedings thereat.
- (b) All appointments of officers made at any of the meeting aforesaid shall be included in the minutes of the meeting.
- (c) In the event of a meeting of the Board of Directors or of a committee thereof, the minutes shall also contain. :
  - (i) the name of the Directors members of the Committee present at the meeting; and
  - (ii) in the case of each resolution passed at a meeting of the directors or members of the committee, if any, dissenting from or not concurring with the resolution.

#### BORROWING POWERS

159. Subject to Section 179 and 180 of the Act, the Director may raise or borrow any sum or sums of money for the purpose of the Company and may secure payment or repayment of the same in such manner and upon such terms and conditions as directors think fit and in particular by the creation of any hypothecation, pledge or charge on and over the Company's stock, book-debts and other moveable property. Power to borrow

Provided that the Director shall not without the sanction of a General Meeting of the company borrow any sum of money where the moneys to be borrowed together with money already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the company and its free reserves that is to say, reserves not set apart for any

specify purpose and the resolution passed in the General Meeting shall specify the total amount upto which moneys may be borrowed by the Directors.

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| 160. | The Directors may raise or secure the repayment of such money in such manner and upon such terms and conditions in all respect as it thinks fit and in particular, by the creation and issue of mortgages, charges or debenture stock or in the issue of debentures secured or upon all or any part of the undertaking property and rights of the company (both present and/or future) including the uncalled capital or by making giving, accepting, drawing or endorsing on behalf of the company any promissory notes or bills of exchange.   | Director may secure repayment of moneys.       |
| 161. | Every Debenture or other instrument issued by the company for securing the payment of money may be so framed that the moneys thereby secured shall be assigned free from all equities between the company and the person to whom the same may be issued. Any debenture, debenture-stock, bond, or other instrument or security may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any special privileges as to redemption, surrender, drawing and allotment of shares or otherwise. Provided that the debentures with the right to conversion into or allotment of shares shall not be issued without the consent of the company in General Meeting. | Debentures                                     |
| 162. | Subject to the provision of the Act and these Articles, the Directors or any of them or any other persons who shall become personally liable for the payment of any sum primarily due from the company, the directors may execute or cause to be executed any mortgage, charge or security for or affecting the whole or any part of the assets of the company by way of Indemnity to secure the directors or the persons so becoming liable as aforesaid from any loss in respect of such liability.  | Indemnity                                      |
| 163. | The Directors shall cause a proper register to be kept, in accordance with the provisions of Section 81 of the Act, of all mortgages, debentures and charges specifically affecting the property of the company and shall cause the requirements of Sections 77 to 87 (inclusive) of the Act in  | Register of mortgage and debenture to be kept. |



that behalf to be duly complied with, so far as they are required to be complied with by the Directors. A sum of Rs. 100 shall be payable by any person other than a creditor or member of the company for inspection at any one time of the said Register.

#### DIRECTOR MAY CONTRACT WITH THE COMPANY

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| 164. | Subject to the provisions of Section 164, 184 and 188 and other applicable provisions, if any, of the Act and the Rules the Directors (including a Managing Director, if any) shall not be disqualified by reason of his or their office as such from contracting with the company either his or their office as such from contracting with the company either as vendor, purchaser, lender, agent, broker, underwriter, lessor or lease or otherwise nor shall any such contract, of any contract or arrangement entered into by or on behalf of the company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided not shall any director so contracting or being such member or so interested be liable to account to the company for any profit realized by such director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by him or them at the meeting of directors at which contract or arrangement is determined on, if the interest then exist or in any other case at first meeting of directors after the acquisition of the interest. Provided nevertheless that no director shall vote as a director in respect of any contract of arrangement in which he is interested as aforesaid and if he does so his vote shall not be counted but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting although he shall not be counted for the purpose of ascertaining whether there is a quorum of directors present. This proviso shall not apply to contract by or on behalf of the company to give to the directors or any of them any security by way of indemnity against any loss which they or any loss which they or any of them may suffer by becoming or being sureties for the company. | Directors<br>contract<br>company. | may<br>with |
| 165. | (a) For the purpose of Section 184 of the Act and Article  | General                           | notice      |

164 a general notice given to the Board by a Director, sufficient to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with the body corporate or firm, shall be deemed to be sufficient disclosure of the concern or interest in relation to any contract or arrangement so made.

- (b) Any such general notice shall expire at the end of the Financial Year in which it is given, but may be renewed for further period of one Financial Year at a time, by a fresh notice given in the last month of the Financial Year in which it would otherwise have expired.
- (c) No such general notice and no renewal thereof shall be of effect unless either it is given at meeting of the Board, or Directors concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

166. The Company shall in accordance with Section 189 of the Act, keep one or more Register or Registers and shall enter therein separately such of the particulars as may be relevant to all contracts and arrangements having regard to the application thereto of Section 184 or Section 188 of the Act, as the case may be. The Register aforesaid shall also specify in relation to each Director of the Company the names of the firm and bodies corporate of which notice has been given by him under Section 184 of the Act.

Register of contracts in which Directors are interested.

The Register or Registers aforesaid shall be kept at the Registered Office of the Company and shall be open to inspection at such office and extracts may be taken therefrom and copies thereof may be required by any shareholder of the company to the same extent in the same manner and on payment of the same free as in the case of Register of Members of the company and the provisions of Section 94 of the Act shall apply accordingly.

## POWER OF THE DIRECTORS

167. The management and control of the business of the company shall be vested in the directors who may exercise all such powers of the company and do all such acts and things as are not, by the Act, or any statutory modification thereof for the time being in force or by any other Act, or by the Memorandum or by these Articles, required to be exercised by the company in general meeting subject nevertheless to any regulation of these Articles to the provisions of the Act, or any statutory modification thereof for the time being in force or any other act and to such regulations, being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the company in General meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board of Directors shall not except with the consent of the company in general meeting.
- Power Director
- (a) sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the company or where the company owns more than one undertaking of the whole, or substantially the whole of any such undertaking;
  - (b) invest otherwise than in trust securities the amount of compensation received by it as a result of any merger or amalgamation,
  - (c) Borrow moneys in excess of the limits provided in Article;
  - (d) Contribute, to charitable and other funds not directly relating any amounts the aggregate of which will in any Financial Year, exceed five percent of its average net profits, as determined in accordance with the provisions of the Act, during the three Financial Years immediately preceding.
168. (1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the company and they shall do so only by means of resolution passed at meetings of the Board.
- Certain powers to be exercised by this Board only at meetings.
- (a) to make calls on shareholders in respect of

money unpaid on their shares;

- (b) to authorise buy-back of securities under section 68;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow monies;
- (e) to invest the funds of the company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve Financial Statement and the Board's report;
- (h) to diversify the business of the company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;

Provided that the Board may by resolution passed at a meeting, delegate to any committee of directors or the Managing Director or any other principal officer of the company or a principal officer of any of its branch offices, the powers, specified in (d) to (f) of this clause to the extent specified below, on such conditions as the Board may prescribe.

- (2) Every resolution delegating the power referred to in clause (1)(d) shall specify the total amount outstanding at any one time up to which money may be borrowed by the delegates; provided, however, that where the company has an arrangement with its bankers for the borrowing moneys by way of overdraft, cash credit or otherwise, the actual day to day operations of the overdraft, cash credit or other accounts by means of which the arrangement made is availed of shall not require the sanction of the Board.
- (3) Every resolution delegating the power referred to in clause (1)(e) shall specify the total amount upto which the funds may be invested and the nature of the

investment which may be made, by the delegates.

- (4) Every resolution delegating the power referred to in clause (1)(f) shall specify the total amount up to which loans may be made by the delegates, the purpose for which the loans may be made for each such purpose in individual cases.
- (5) Nothing in this Article contained shall be deemed to affect the right of the company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in (a), (c), (d), (e) and (f) of clause (1) above.

169. Without prejudice to the general power conferred by Articles 159 to 168 and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding two Articles, Directors shall have the following that is to say power:
- (1) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereat under the provisions of Section 40 of the Act. Specific powers to the Board.  
To pay Commission and interest
  - (2) Subject to the provisions of Section 179 and 188 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition, to accept such title as may find reasonably satisfactory and to pay wholly or partially in cash or by issue of shares in lieu of cash. To acquire property
  - (3) To purchase or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and out houses in or thereon, situated in any part of India at such prices or rent and under subject to any such terms and conditions as the directors may think fit and in any such purchase, lease or other acquisition to accept such title as the directors may believe or may be advised to be reasonably satisfactory. To purchase or take on lease

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| (4) At their discretion and subject to the provisions of the Act, to pay for any property, right or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages or other securities of the company and any such shares may be issued either as fully paid up and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the company and its uncalled capital or not so charged. | To pay for property in debentures etc. |
| (5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the company either separately or jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.                    | To open properties                     |
| (6) To open accounts with any bank or bankers or with any company, firm or individual and to pay money into and draw money from any such account from time to time as the directors may think fit.   | To open accounts.                      |
| (7) To secure the fulfillment of any contracts, agreements or engagements entered into by the company by mortgages or charge of all or any of the property of the company and its uncalled capital for the time being or in such manner as they may think fit.   | To secure contracts by mortgage.       |
| (8) To appoint any person or persons (whether incorporate or not) to accept and hold in trust for the company any property belonging to the company, or in which it is interested, or for any other purpose and to execute and do all such acts such trust to provide for the remuneration of such trustee or trustees.  | To appoint Trustees.                   |
| (9) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the company or   | To bring and defend action             |

its officers, or otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the company and to refer any claims or demands by or against the company or any difference to arbitration and observe and perform any awards made thereon.

etc.

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| (10) | To act on behalf of the company in all matters relating to bankrupts and insolvents.   | To act in matters relating to insolvents        |
| (11) | To make and give receipts, release and other discharges for to give receipts moneys payable to the company and for the claims and demand of the company.   | To give receipts.                               |
| (12) | Subject to the provisions of Section 179, 180, and 185 of the Act, to invest and deal with any moneys, of the company not immediately required for the purposes thereof, upon such security (not being shares of this company) or without security and in such manner as they may think fit and from time to time to vary or release such investments, save as provided in Section 187 of the Act, all investments shall be made and held in the company's own name. | To invest moneys                                |
| (13) | To execute in the name and on behalf of the company in favour of any director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the company, such mortgages of the company's property (present and future) as they think fit; and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.                      | To give security by way of indemnity            |
| (14) | To determine from time to time who shall be entitled to sign, on the company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, rents, releases, contracts and products and to give the necessary authority for such purpose.  | To authorise signing of receipts, cheques, etc. |
| (15) | To distribute by way of bonus amongst the staff of the company, a share or shares in the profit of the company and to give to any officer or other person employed by the company a commission on the  | To give percentages                             |

profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the company.

- (16) To provide for the welfare of directors or ex-directors or employees of the company and the wives, widow and families or the dependants or connections of such persons by building or contributing to the building of houses, dwellings or chawls, or by grants of moneys, pensions gratuities, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the directors shall think fit. And to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions, objects or for any exhibition, or for any public, general or useful object. To give gratuities etc.
- (17) Before recommending any dividend, to set aside out of the profits of the company such sums, as they think proper for depreciation, to a Depreciation Fund, or to any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalizing dividends, or for repairing improving, extending and maintaining any part of the property of the company and for such other purposes (including the purposes referred to in the preceding clauses) as the Board of Directors may, in their absolute discretion think conducive to the interests of the company and to invest the several sums also set aside or so much thereof as required to be invested upon such investments (other than shares of the company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the company in such manner and for such purpose as the Board of Directors in their absolute discretion, think conducive to the interest of the company notwithstanding that the To establish reserve funds



matters to which the Board of Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the company might rightly be applied or expended and to divide the Reserve Fund into such special funds as the Board of Directors may think fit and to employ the assets constituting all or any of the above funds, accounts, including the Depreciation Fund, in the business of the company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay or allow interest out of the same, with power however to the Board of Directors at their discretions to pay or allow to the credit of such fund interest at such rate as the Board of Directors may think proper.

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| <p>(18) To appoint, at their discretion, remove or suspend, such managers, secretaries, officers, assistants, supervisors, clerks, agents and servants or permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries, emoluments or remuneration and to require security in such instances for to such amount as they may think fit. And also without prejudice as aforesaid from time to time to provide for the management and transaction of the affairs of the company in any specified locality in India or elsewhere in such manner as they conferred by this sub-clause.</p> | <p>To appoint officers, etc.</p>                |
| <p>(19) To comply with the requirements of any local law which in their opinion it shall in the interest of the company be necessary or expedient to comply with.</p>   | <p>Local Laws.</p>                              |
| <p>(20) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any special locality in India or elsewhere and to appoint any persons to be members of such Local Board or any managers or agents and to fix their remuneration.</p>   | <p>Local Board</p>                              |
| <p>(21) Subject to the provisions of Section 179 of the Act and Article 168 from time to time and at any time, to delegate to any such Local Board or any member or</p>   | <p>Delegation of powers to Local Board etc.</p> |

members thereof or any managers or agents so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors and to authorize the members for the time being of any such Local Board, or any of them to fill up any vacancies and any such appointment or delegation under clause (20) of this Article may be made on such terms and subject to such conditions as the Board of Directors may at any time remove any persons so appointed and may annual or vary any such delegation.

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| <p>(22) **%At any time and from time to time by Power of Attorney to appoint any person or persons to be the Attorney or Attorneys of the company for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as the Board of Directors may from time to time think fit.</p>   | <p>Power of Attorney</p>              |
| <p>(23) Subject to Section 188 of the Act for or in relation to any of the matters aforesaid or otherwise for the purposes of the company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the company.</p> | <p>May enter into contracts etc.</p>  |
| <p>(24) Generally subject to the provisions of the Act and these Articles, to delegate the powers, authorities and discretions vested in the directors to any officer, person, firm, company or fluctuating body of persons as aforesaid.</p>   | <p>Delegation of powers.</p>          |
| <p>(25) From time to time make, vary and repeal bye-laws for regulation of business of the company its officers and servants.</p>   | <p>May make bye-laws</p>              |
| <p>(26) Subject to the provisions of the Act and these presents, to accept from any members on such terms and conditions as shall agreed, surrender of the</p>  | <p>To accept surrender of shares.</p> |

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\*\* %Altered vide Special Resolution passed at the Annual General Meeting held on August 31, 2021

shares or stock or any part thereof.

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| (27) | Subject to Section 188 of the Act to appoint purchase and/or selling Agents for the purchase sale of company's requirements and products respectively.  | To appoint selling for purchasing agents. |
| (28) | To pay the costs, charges an expenses preliminary and incidental to the promotion, establishment and registration of the company.   | To pay preliminary expenses               |
| (29) | To act as Trustees in composition of the company's debtors.   | To act as Trustees.                       |
| (30) | To provide from time to time for the management of the affairs of the company in India or abroad in such manner as they think fit and in particular to appoint any persons to be the attorneys or agents of the company with such powers (including power to sub-delegate) and upon such terms as may be thought fit.                       | To provide for management in abroad.      |
| (31) | To enter into and carry into effect any scheme of amalgamation of the company with any other company or any scheme of compromise or arrangement duly approved by the members and sanctioned by a competent authority according to law.  | To enter into contracts of amalgamation.  |
| (32) | And generally to do and sanction all such acts, deeds, matters and things, exercise all powers or discretion in respect of all such arrangement for or in relation to any of the matters aforesaid or otherwise for the purpose or as are necessary, incidental or conducive to the attainment of all or any of the objects of the company. | General.                                  |

#### MANAGING DIRECTOR

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| 170. | Subject to the provisions of Section 196 and 197 and other applicable provisions of the Act, the Board of Directors shall have power to appoint from time to time one or more of their body to be Managing Director or Directors of the company for a fixed term not exceeding five years at a time. In addition to the fee payable to the Managing Director for sitting of the Board, the Board of Directors may decide (unless otherwise stipulated by the | Managing Director |
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agreement entered into in this behalf) the remuneration payable to the Managing Director by way of fixed monthly payment or by way of participation in profits or by any or all modes and as aforesaid subject to the limitations imposed by the Act.

171. The directors may from time to time entrust to and confer upon Managing Director(s) for the time being such of the powers and discretions exercisable under these articles by the Directors as they think fit and may confer these powers, and discretions for such time, objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of the power so entrusted. Unless and until otherwise determined, the Managing Directors may exercise all the powers exercisable by the Directors save such power as are specifically required to be exercised by the Directors themselves under provision of the Act and these Articles. Powers and Managing Director(s).

#### WHOLE TIME DIRECTORS

172. (a) Subject to the provision of the Act, the company shall be entitled from time to time any appoint and/or employ any director of the company as a whole-time director and/or as head of any department of the company and/or in any other capacity and for such period and on such remuneration as may be decided upon the Board of Directors shall from time to time confer upon such appointee such powers as they may think fit from time to time to revoke and/or modify the same and to suspend and/or remove such appointee. Whole time Director.
- (b) The Board of Directors shall be entitled from time to time subject nevertheless to the provision of the Act; to delegate any powers exercisable by them to any director of the company and from time to time to revoke and/or modify the same.

## KEY MANAGERIAL PERSONNEL

173. Subject to the provisions of the Act, –
- (i) A chief executive officer, manager, company secretary or chief financial officer 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, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
  - (iii) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

## SECRETARY

174. (a) The directors may from time to time appoint and at their discretion remove, a person to perform any function which by the Act or the Articles for the time being of the company are to be performed by the Secretary and to execute and other duties which may think fit from time to time be assigned to the Secretary by the Directors. Secretary.
175. <sup>††</sup>% Every Share Certificate shall, subject to the regulations prescribed under the Companies (Share Capital and Debentures) Rules, be issued with signatures of two director and the Secretary. Share Certificates how executed.

A director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of a rubber stamp, provided that the director shall be responsible for the safe

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<sup>††</sup> % Erstwhile Article No. 75 and 76 Deleted and Now, Article No. 175 Altered vide Special Resolution passed at the Annual General Meeting held on August 31, 2021

custody of such machine, equipment or other material used for the purpose.

#### DIVIDENDS

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| 176. | Subject to the rights of holders of preference shares and other shares, if any issued upon special conditions and subject to the provisions of these presents as to reserve, depreciation and other funds to be set apart by the Directors, the profits of the company (after making provision for carrying out balance for the next year) shall be advisable among the members in proportion to the amount of capital paid up on the shares held by them respectively provided always that any capital paid on a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment 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. | Dividends                                 |
| 177. | Where capital is paid up in advance of calls, such capital shall not while carrying interest, confer a right to participate in profits.  | Capital paid-up in advance.               |
| 178. | Except or otherwise provided in proviso to Section 123 of the Act, no dividend shall be declared or paid by the company for any Financial Year except out of profits of the company for that year after providing for depreciation in accordance with provisions of Sub-section (1) of Section 123 of the Act, or out of the profits of the company for any previous Financial Year or years arrived at after providing for depreciation in accordance with these provisions and remaining undisturbed or out of both or out of money provided by the Central Government or State Government for the payment of dividend in pursuance of a guarantee given by that Government. No dividend shall carry interest as against the company.  | Dividends to be paid out of profits only. |
| 179. | Subject as aforesaid in Article 178 Directors may from time to time pay to the members such interim dividends as appear to them to be justified by the profits of the company.   | Interim dividends.                        |
| 180. | The Directors shall lay before the company in general  | Directors to                              |

- meeting a recommendation as to the amount, if any, which they consider should be paid by way of dividend and the company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits but such dividend shall not exceed the amount recommended by the Directors and the declaration of the directors as to the amount of net profits shall be conclusive. recommend dividends.
181. When a dividend has been declared it shall be paid by cheque, dividend warrant or electronic mode shall be posted to the members within thirty days of the date of declaration of dividend. Dividend to be paid within thirty days.
182. No dividend shall be payable except in cash, cheque or warrant provided that profits or reserves of the company may be capitalized for the purpose of issuing fully paid up bonus shares or paying up any amounts for the time being unpaid on any shares held by the members of the company. To be paid in cash only.
183. The declaration of the directors as to the amount of the net profits of the company be conclusive. What to be deemed net profit.
184. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the company in respect of such share or shares or otherwise on account of any debts, liabilities or engagements of the member to the company either alone or jointly with any other person or persons and directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the company. No member to receive dividend whilst indebted to the company and company's right to reimbursement thereof.
185. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. Effect of transfer.
186. The directors shall have a right to demand from any registered shareholder before paying him any dividend to prove that he is in possession of shares at the time of declaration of dividend and that he has not sold the shares non-dividend after such declaration. Right to demand proof.
187. The directors may from time to time make calls upon shares (subject to provisions of these articles) in respect Dividends and call together

of any capital for the time being unpaid thereon and may determine that any dividend recommended by them instead of being paid or disturbed in cash shall be applied in payment of such calls and thereupon subject to the sanction of General Meeting such dividends shall without any further or other authority to so applied. If the directors shall so determine a General meeting shall not have power to declare such dividends to be paid or applied otherwise than in accordance with the directors such determination.

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| 188. | <p>(a) The directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member or in respect of which any person under that clause is entitled to transfer, until such person shall become a member in respect thereof or shall duly transfer the same.</p> <p>(b) The directors may retain any dividend on which the company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagement in respect of which the lien exists.</p>  | Retention | in certain cases.  |
| 189. | <p>Unless otherwise directed, any dividend may be paid by electronic mode, cheque, warrant sent through the post to the registered address of the member or person entitled or in the case of joint holding and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.</p>  | Dividend  | how paid   |
| 190. | <p>The company shall not be responsible for the loss of any cheque or dividend warrant or postal order sent by post in respect of dividends, whether by request or otherwise, at the registered address or the address communicated to the office before hand by the member or for any dividend lost to the member or person entitled thereto by the forged endorsement or any cheque or warrant or the fraudulent recovery thereof by any other means. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the company shall company with all the provisions of Section 124 of the Act in respect all unclaimed or unpaid dividend.</p> | Company   | not responsible for loss of cheques, dividend warrant ect. |
| 191. | <p>A notice of the declaration of any dividend, whether</p>   | Notice    | of   |



interim or otherwise shall be given to the holder of dividend registered shares in manner herein provided.

192. The directors may at their discretion before recommending or declaring any dividend or bonus out of or in respect of the earnings or profits of the company for any year or other period, cause to be reserved or retained and set aside out of such profits such sum as they may think proper to form one or more reserve funds to meet contingencies of depreciation in the value of the property of the company or for renovation, replacement or for modernization of plant and machinery or for equalizing dividends, or for providing against losses, meeting of claims or liabilities of the company or for such other purposes as the directors may in their absolute discretion think conducive to the interests of the company and the directors shall have full power to employ the assets constituting the reserve fund in the business of the company without being bound to keep the same separate from the other assets. The directors may also carry forward any profits which they may think prudent not to divide without setting them aside as reserves.

Only the ordinary shareholders shall be entitled to the distribution of reserves or undisturbed profits, whether in the form of dividends or bonus or bonus shares or distribution in any other form or manner.

#### ACCOUNTS

193. The company shall keep at the Registered Office, proper books of account with respect to : Accounts to be kept.
- (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure take place.
  - (b) All sales and purchases of goods by the company, and
  - (c) the assets and liabilities of the company
  - (d) the items of cost as may be prescribed under section 148 in the case of a company which belongs to any class of companies specified under that section
194. The Books of Accounts of the company relating to period Books of

- of not less than eight years immediately preceding the current year shall be preserved in good order. Account to be preserved for eight years.
195. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the company or any of them shall be open to inspection of members, not being a director and no member not being a director shall have any right of inspecting any account or book or document of the company except as conferred by statute or authorized by the directors or by the company in general meeting. The directors can refuse permission without being liable to give reasons for the same. Limitation as to right of inspection of the books.
196. The directors shall lay before each Annual General Meeting of the Company a Profit & Loss Account for the Financial Year of the company and a Balance Sheet made up as at the end of the Financial Year which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act. Statement of Accounts to be furnished at Annual General Meeting.
197. The Financial Statements of the company shall give a true and fair view of the State of Affairs of the company as at the end of the Financial Year and shall, subject to the provisions of Section 129 of the Act, be in the form set out in Schedule III of the Act or as near thereto as the circumstances admit. Financial Statements
198. There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors containing such details as prescribed in Section 134 and prescribed in such other applicable provisions. The Board's report and any addendum thereto shall be signed by not less than two directors or by the Chairman of the Board of Directors if authorized in that behalf by the Board. Board's report.

#### ANNUAL RETURNS

## CAPITALISATION OF PROFITS

199. (a) The company in General Meeting may, upon the recommendation of the Board resolve :- Capitalisation
- (i) 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 otherwise credit of the Profit & Loss Account, or otherwise available for distribution and
  - (ii) that such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions.
- (b) The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in clause (c) 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 of the company to the allotted and distributed, credit as fully paid up, to and amongst such members in the proportions aforesaid; or
  - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- (c) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of value of the premium on these shares shall be transferred to an account to be called "the securities premium account", and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the securities premium account were paid up share capital of the Company.
- (d) A securities premium account may, notwithstanding anything contained in clause (c) above, be applied by the Company:
- (i) In paying up unissued shares of the Company to be issued to members of the Company as fully paid

bonus shares;

(ii) In writing off the preliminary expenses of the Company;

(iii) In writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or

(iv) In providing for the premium payable on the redemption of any redeemable preference shares or any debentures of the Company;

(v) For the purchase of its own shares or other securities as provided under Section 68 of the Act.

(e) Capital redemption reserve account may, for the purposes of this article, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.

(f) The Board shall give effect to the resolution passed by the company in pursuance of this article.

200.

(a) Where such a resolution as aforesaid shall have been passed, the Board shall :

Board may make appointments etc.

(i) make all appropriations and application of the undivided profits resolved to be capitalized thereby and allotments and issue of fully paid shares and;

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full powers :

(i) entitled thereto, into an agreement with the company providing for allotment to them respectively, credited as fully paid up of any further shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized of the amounts or any part of the amount remaining unpaid on their existing shares.

(c) Any agreement made under such authority shall be effective and binding on all such members.

## AUDIT

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| 201. | Financial Statements shall be audited by one or more auditors to be appointed as hereinafter provided.  | Examination of accounts.                  |
| 202. | As regards the appointment and remuneration, qualification and disqualification, removal, powers, rights and duties of Auditors, the directors and the Auditors shall have regard to Sections 139 to 148 of the Act.  | To comply sections 224 to 231 of the Act. |
| 203. | Financial statements of the company when audited and approved by a general meeting of the company shall be conclusive except as regards any error discovered therein within three calendar months next after the approval thereof. Whenever any such error is discovered within that period the accounts shall forthwith be corrected and henceforth shall be conclusive. | Conclusiveness of accounts                |

#### DOCUMENT AND NOTICE

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| 204. | A document or notice may be served or given by the company to the joint holders of a share by serving or giving document or notice to the joint holder named first in the register in respect of the share.   | Notice to joint holders  |
| 205. | A document or notice may be served or given by the company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document or notice in any manner in which it might have been given if the death or insolvency had not occurred. | Notice to persons entitled to shares in consequences of death or insolvency of a member. |
| 206. | Every person who by operation of law, transfer or other means whatsoever shall become entitled to any security, shall be bound by every notice in respect of such share which previously to his name and address being entered on the register shall be duly given to the person from whom he derives his title to such share.  | Transferees etc. bound by prior notice.  |
| 207. | Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these present shall notwithstanding such  | Notice valid through member deceased.  |

members be then deceased and whether or not the company has notice of his death, be deemed to have been duly served in respect of any registered shares, whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient services of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such share.

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| 208. | Any document or notice to be served given by the company, may be signed by a director or some person duly authorized by the Board of Directors or a committee if so authorized for such purpose and the signature thereto may be written, printed or lithographed.  | Document or notice by company and signature thereto. |
| 209. | Where a given number of days notice or notices extending over any other period, is required to be given the day of services shall unless it is otherwise provided be counted in such number of days or other period.  | How time to be counted                               |
| 210. | All documents or notice to be served or given by members on or to the company or officer thereof shall be served or given by sending it to the company or officer at the Registered Office of the company by post or by Registered Post or by leaving it at its Registered Office, or by means of such electronic mode or other mode as may be specified in the relevant Rules. | Service of document or notice by member.             |

#### WINDING UP

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| 211. | Upon the winding up of the company the holders of preference shares if any shall be entitled to be paid all arrears of preferential dividend to the commencement of the winding up and also to be repaid the amount of capital paid up or credited as paid up on such preference shares held by them respectively in priority to the equity shares but shall not be entitled to any other further rights to participate in profit of shares, subject as aforesaid and the rights of any other holders of shares entitled to receive preferential payment over the equity shares shall be entitled to be repaid the amount of capital paid up or credited as paid up on such shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion of the amount paid up credited as paid up | Distribution of assets |
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on such equity shares respectively at the commencement of the winding up. If the assets shall be insufficient to repay the whole of the paid up equity capital such assets shall be so distributed so that as nearly as may be the losses shall be borne by the member holding equity shares in proportion to the capital paid up or which ought to have been paid up on the equity shares held by them respectively at the commencement of the winding up, other than the amounts paid by them in advance of calls.

212. If the company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution of the company and any other sanction required by the Act divide amongst the contributories in specie or kind, and part of the assets of the company trustees in upon such trusts for the benefits of the contributors or any of them as the liquidators with the like sanction shall think fit. Distribution of assets in specie

#### INDEMNITY

213. Every Director, Managing Director, Whole-time Director, Manager, Secretary and other Officer or employee or authorised representative of the Company shall be indemnified by the Company and for this purpose may have relevant third party insurances procured by the Company in their favour, for all costs, fees, penalty, deposit, losses and expenses (including travelling expenses) which such Director, Manager, Secretary, Officer or employee or authorized representative may suffer or is likely to suffer in any way during the course of discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims. Provided that no Director, Managing Director, Whole-time Director, Manager, Secretary and other Officer or employee or authorized representative of the Company shall be entitled to be indemnified by the Company or have insurance procured therefor in circumstances where any amounts directly or indirectly arise out of or in connection with any fraud, gross negligence, breach of trust or material and willful default Directors and Others Right to Indemnity

on the part of such Director, Managing Director, Wholetime Director, Manager, Secretary and other Officer or employee or authorized representative of the Company.

214. Subject to the provisions of the Act, no Director, Managing Director, Wholetime Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through 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 nominees of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, within 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 or in relation thereto, unless the same happens through his own dishonesty.
- Director and Other Officers not Responsible for the Acts of Others

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.

#### SOCIAL OBJECTIVE

215. The Company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.
- Social Objective



## SECRECY CLAUSE

216. No member shall be entitled to visit or inspect any of the property of the company without the permission of the directors or without notice or to require discovery of or any information respecting any detail of the company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the company any which in the opinion of the Board, it will be inexpedient in the interest of the member of the company to communicate to the public.

We, the several person, whose names and address are subscribed, are desirous of being formed into a company in pursuance of these Articles of Association and we respectively agree to take number of shares in the capital of the company set apposite to our respective names :

Name, address, description of and occupation of each Subscriber	Number of shares taken by each Subscriber	Signature of Subscriber	Name, address and description of witness
Ramesh Kumar Mandawewala S/o. Laxminarayan Mandawewala 121-A, Mittal Tower, Nariman Point, Mumbai - 400 021.	10 (Ten) Equity Shares	Sd/-	Vinod Shah S/o. Vadilal Shah Company Secretary 102-A, Amardeep Mahal, Nanda Patkar Road, Vile parle (East), Mumbai - 400 057.
Balkrishan Goenka S/o. Shri Gopiram Goenka 121-A, Mittal Tower, Nariman Point, Mumbai - 400 021.	10 (Ten) Equity Shares	Sd/-	Vinod Shah S/o. Vadilal Shah Company Secretary 102-A, Amardeep Mahal, Nanda Patkar Road, Vile parle (East), Mumbai - 400 057.
Total	20 (Twenty)		

Mumbai, Dated 10<sup>th</sup> January, 1985.

2.97.3 1/01

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD  
ORDINARY ORIGINAL JURISDICTION

**COMPANY PETITION NO. 37 OF 2001**

CONNECTED WITH

**COMPANY APPLICATION NO.12 OF 2001**

Copy applied on 21/01/97  
Copy ready on 29/01/97  
Date issued on.  
By Post  
1201310

**In the matter of the Companies Act, 1956 (I of 1956)**

AND

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

AND

**In the matter of Scheme of Compromise and/or Arrangement between Welspun India Limited and its Lenders, Bankers, Creditors and Shareholders and Welspun Cotton Yarn Limited and its Shareholders.**



**Valspun India Limited,**  
Company incorporated under  
the provisions of the  
Companies Act, 1956 (Act I of  
1956) and having its  
Registered Office at Survey  
No.76, Village Morai, Vapi,  
District Valsad,  
Gujarat - 396 191.

... Petitioner

Before the Hon'ble Mr. Justice K.M.Mehta  
Date : 20.03.2001

**ORDER ON PETITION**

The above petition coming on for hearing on the 20<sup>th</sup> day of March, 2001. UPON READING the said petition, the order dated 15<sup>th</sup> day of January, 2001, in Company Application No. 12 of 2001, whereby Welspun India Limited, the Petitioner abovenamed (hereinafter referred to as "the said Company") was

ordered to convene separate meetings of the Preference Shareholders, Equity Shareholders, Secured Creditors and Unsecured Creditors of the said Company for the purpose of considering and if thought fit approving, with or without modification, the Scheme of Compromise and/or Arrangement proposed to be made between the said Company and its Lenders, Bankers, Creditors and Shareholders and Welspun Cotton Yarn Limited and its Shareholders and annexed to the affidavit of Shri Devendra Krishan Patil filed on 11<sup>th</sup> day of January, 2001, the publication of notices in English daily "Indian Express" and Gujarati daily "Sandesh" dated 20<sup>th</sup> day of January, 2001 containing the advertisement of the said notice convening the said meetings directed to be held by the said order dated 15<sup>th</sup> day of January, 2001, the affidavit of Shri Balkrishna Goenka filed on the 6<sup>th</sup> day of February, 2001 showing publication and dispatch of notices convening the said meetings, the report of the Chairman of the said meetings dated 23<sup>rd</sup> day of February, 2001 as to the result of the said meetings, UPON reading the affidavit of Shri Devendra Krishna Patil, Company Secretary of the Petitioner Company filed on the 26<sup>th</sup> day of February, 2001, verifying the Petition AND UPON reading the affidavit dated 17<sup>th</sup> day of March, 2001 of Shri Chandravadan C. Bhatt, showing publication of the notice of hearing of this Petition in the English Daily, "Indian Express", Ahmedabad Edition and Gujarati Daily, "Sandesh", Ahmedabad Edition dated 3<sup>rd</sup> March, 2001 and 2<sup>nd</sup> March, 2001 respectively, (advertisement in the Government Gazette having been dispensed with), AND UPON hearing Mr. Sandeep M. Singhi, for Singhi & Co. for the Petitioner and hearing the submissions of Additional Central Government Standing Counsel Mrs. P.J. Dawavala instructed by the Regional Director, Company Law Board, Western Region, Mumbai and it appearing from the report that the proposed Compromise and/or Arrangement has been approved unanimously by the Preference Shareholders, Equity Shareholders, Secured Creditors and Unsecured Creditors of the said Company;



**THIS COURT DOTH ORDER**

1. THIS COURT doth hereby sanction the Scheme of Compromise and/or Arrangement set forth in Annexure –“A” of the petition herein and in the Schedule hereto, and doth hereby declare the same to be binding on all the Shareholders and Creditors of the above named Company and also on the abovenamed Company.
2. AND THIS COURT doth further order that the parties to the scheme of Compromise and/or Arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the Scheme of Compromise and/or Arrangement ;
3. That the said Company do file with the Registrar of Companies a certified copy of this order within thirty days from this date.
4. That the said Company do pay a sum of Rs. 2500/- to the Advocate appearing for the Regional Director, Company Law Board, Mumai, towards fees.

**SCHEDULE**

**SCHEME OF COMPROMISE AND / OR ARRANGEMENT  
 BETWEEN  
 WELSPUN INDIA LIMITED  
 AND  
 ITS LENDERS, BANKERS, CREDITORS AND SHAREHOLDERS  
 AND  
 WELSPUN COTTON YARN LIMITED  
 AND  
 ITS SHAREHOLDERS**

**FOR RESTRUCTURING  
OF  
DEBTS OF WELSPUN INDIA LIMITED DUE TO ITS LENDERS AND  
BANKERS  
AND  
FOR RECONSTRUCTION  
OF  
THE SAID COMPANIES  
BY  
TRANSFER OF SPINNING DIVISION OF WELSPUN INDIA LIMITED  
TO  
WELSPUN COTTON YARN LIMITED**

**PART - I**

In this Scheme, unless the context otherwise requires, the following statement shall have the following meanings :-



"Act" means the Companies Act, 1956 or any statutory modification or re-enactment thereof;

"WIL" means Welspun India Limited, a Company incorporated under the provisions of the Act having its registered office at Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat - 396 191.

3. "WCYL" means Welspun Cotton Yarn Limited, a Company incorporated under the provisions of the Act having its registered office at Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat - 396 191.

4. "The Appointed Date" means 1<sup>st</sup> April, 2000.

5. "The Effective Date" means the date on which this Scheme becomes operative being the date on which certified copies of the order of the Hon'ble High Court of Gujarat at Ahmedabad sanctioning this Scheme are filed with the Registrar of Companies, Gujarat.
6. "The long term Debts" means the amounts payable by WIL, prior to the Scheme becoming operative, to the Financial Institutions, Mutual Funds and Banks in respect of loans given by them and/or debentures held by them on account of principal, interest or funded interest or otherwise, whether secured or unsecured and whether presently or in future but expressly excluding debts arising out of overdraft and/or working capital facilities provided by Banks.
7. "Spinning Division" means the undertaking of WIL established for Spinning of Cotton Yarn having its factory at Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat – 396 191 and shall mean and include all the business, properties and liabilities pertaining to the Spinning Division including:
  - (a) All properties and assets, movable and immovable, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situate, as on the Appointed Date including all lands, buildings, plant and machinery, electrical installations, vehicles, equipment, furniture, sundry debtors, inventories, cash and bank balances, bills of exchange, deposits and loans and advances as appearing in the books of account of WIL and appertaining to the Spinning Division, and all other interests or rights in or arising out of or relating to the Spinning Division together with all



respective rights, powers, interests, charges, privileges, benefits, entitlement, industrial and other licenses, registrations, quotas, patents, brand names, trade marks, copyrights, liberties, easements and advantages, appertaining to the Spinning Division and/or to which WIL is entitled to in respect of the Spinning Division of whatsoever kind, nature or description held, applied for or as may be obtained thereafter together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records relating to the Spinning Division.

(b) All debts, liabilities, duties and obligations of WIL pertaining to the Spinning Division including liabilities on account of secured and unsecured loans, including as restructured hereinafter, sundry creditors, sales-tax, excise, bonus, gratuity and other taxation and contingent liabilities, pertaining to the Spinning Division including the liability in the aggregate amount of Rs. 8200 lacs which WIL has agreed to discharge for and on behalf of WCYL and WCYL shall treat the amount of the said liability to be so discharged by WIL, as interest free loan from WIL to itself

(c) The Preference Share Capital of WIL as on 31<sup>st</sup> March, 2000 allocated and apportioned to the Spinning Division transferred hereunder to WCYL as specified in Schedule V hereto.

(d) All the permanent employees of WIL engaged in or in relation with the Spinning Division.

8. "Residual Business" means all the business, properties, assets and liabilities of WIL pertaining to the Terry Towel Undertaking and all other



business, properties, assets and liabilities of WIL not comprised in the Spinning Division.

9. "Scheme" means the present Scheme of Compromise and/or Arrangement.

## PART – II

1. With effect from the Appointed Date, the settlement of the long term Debts, as on 31<sup>st</sup> March, 2000, shall be as set out in Schedule-I hereto and shall be payable as provided in the Scheme. Interest amount accrued as on 31<sup>st</sup> March, 2000 and as mentioned in Schedule-I hereto shall be paid by 31<sup>st</sup> March, 2001. Levy and recovery of Penal Interest, Liquidated Damages etc. as mentioned in Schedule I hereto shall be waived by the concerned creditors.



With effect from the Appointed Date the Principal Amount of the Long Term Debts relating to the Spinning Division and being transferred to WCYL under Part III hereof as shown in Part A of Schedule I shall be dealt with by WCYL as under:

- (i) The principal amount of Rupee Term Loan/Debentures of Rs.1141.54 lacs mentioned at Serial No. A1 of Schedule-I hereto due to IFCI Limited (IFCI) shall remain secured by the assets of Spinning Division only as specified in clause 1B hereof and shall be repayable over a period of 8 years commencing from October, 2001 in quarterly installments. The total principal amount that shall be

repayable in each of the years shall be as specified in Schedule-II hereto. Interest on the principal amount with effect from the Appointed Date shall be payable quarterly at the varying rates as specified in Schedule IV hereto.


- (ii) The principal amount of Rupee Term Loan of Rs. 56.86 lacs as mentioned at Serial No. A2 of Schedule I hereto due to Industrial Development Bank of India (IDBI) shall be repaid alongwith interest by 31.3.2001. Simultaneously on such payment IDBI shall subscribe to Non-Convertible Debentures (NCDs) of similar amount secured by the assets of Spinning Division only, without any further act or deed as specified in clause 1B hereof. The NCDs shall be redeemed over a period of 8 years commencing from October, 2001 in quarterly installments. The total principal amount of the NCDs that shall be redeemed in each of the years shall be as specified in Schedule II hereto. Interest on the aforesaid NCDs with effect from the date of issue thereof shall be payable quarterly at the varying rates as specified in Schedule IV hereto.

- (iii) The principal amount of Rupee Term Loan of Rs.111.75 as mentioned at Serial No.B1 and B2 of Schedule I hereto due to State Bank of India (SBI) and State Bank of Bikaner & Jaipur (SBBJ) shall remain secured by the assets of Spinning Division only as specified in clause 1B hereof and shall be repayable over a period of 8 years commencing from October, 2001 in quarterly installments. The total principal amount that shall be repayable in each of the years shall be as specified in Schedule II hereto. Interest on the said principal

amount with effect from the Appointed Date shall be payable at the rate and terms specified in Schedule IV hereto.

- (iv) The principal amount of Rupee Term Loan of Rs.77.94 lacs comprising of amounts as mentioned at Serial Nos. B3, B4 and B5 of Schedule-I hereto due to Banks i.e Sakura Bank, UTI Bank & Canara Bank shall remain secured by the assets of Spinning Division only as specified in clause 1B hereof and shall be repayable over a period of 1 year commencing from Appointed Date in quarterly installments as specified in Schedule-II hereto. Interest on the principal amount shall be payable quarterly with effect from the Appointed Date at the rate specified in Schedule IV hereto.
- (v) The principal amount of Foreign Currency Loans of Rs.967.70 lacs mentioned at Serial No.C1 of Schedule-I hereto due to IFCI shall remain secured by the assets of Spinning Division only as specified in clause 1B hereof and shall be repayable over a period of 8 years commencing from October, 2001 in half yearly installments. The total principal amount that shall be repayable in each of the years shall be as specified in Schedule-II hereto. Interest on the said principal amount with effect from the Appointed Date shall be repayable as specified in A(ii) of schedule (iv) hereto.
- (vi) The principal amount of Foreign Currency Loan of Rs.77.79 lacs as mentioned at serial no.C2 of Schedule-I hereto due to IDBI shall be repaid alongwith interest by 31<sup>st</sup> March, 2001. Simultaneously on such payment IDBI shall subscribe to Non-Convertible Debentures (NCDs) of similar amount secured by the assets of the Spinning

Division only, without any further act or deed, as specified in clause 1B hereof. Such NCDs shall be redeemed over a period of 8 years commencing from October, 2001 in quarterly installments. The total principal amount of the NCDs that shall be redeemed in each of the years shall be as specified in Schedule II hereto. Interest on the principal amount with effect from the date of issue of NCDs shall be payable quarterly at the varying rates as specified in A(i) of Schedule IV hereto.

- 
- (vii) The principal amount of Foreign Currency Loans of Rs.2244.70 lacs mentioned at Serial No.D1 of Schedule-I hereto due to State Bank of India (SBI) shall remain secured by the assets of Spinning Division only as specified in clause 1B hereof and shall be repayable over a period of 8 years commencing from October, 2001 in half yearly installments. The total principal amount that shall be repayable in each of the years shall be as specified in Schedule-II hereto. Interest on the said principal amount with effect from the Appointed Date shall be payable at the rate and terms as specified in A(ii) of Schedule IV hereto.

- (viii) The principal amount of Foreign Currency Loans of Rs.1872.88 lacs mentioned at Serial No. D2 of Schedule-I hereto due to KBC Bank n.v. (KBC Bank) shall remain secured by the assets of Spinning Division only as specified in Clause 1B hereof and shall be repayable over a period of 4 years commencing from the Appointed Date. The total principal amount that shall be repayable in each of the years shall be as specified in Schedule-II hereto. Interest on the

said principal amount with effect from the Appointed Date shall be payable as specified in A(ii) of Schedule IV hereto.

- (ix) The principal amount of Unsecured loan of Rs. 120 lacs mentioned at Serial No. E of Schedule I hereto due to SICOM Limited (SICOM) with effect from the Appointed Date has been converted into 13.5% Redeemable Cumulative Preference Shares. The said Preference shares shall be redeemable in half yearly installments of Rs. 15 lacs each commencing from 30.9.2000.

- 1B (1) Subsisting charges over the immovable and/or moveable assets pertaining to the Spinning Division shall continue to be in full force and effect as before for the payments as stated above subject to the prior charges on the current assets in favour of bankers for working capital.



- (2) For repayment of Rupee Term Loans/Foreign Currency Loans the subsisting charges on specified assets or on the other assets of Spinning Division shall continue to be in full force and effect as before subject to the prior charges on the current assets in favour of bankers for working capital.

- (3) Subsisting charges over the immovable and / or moveable assets of the Residual Business securing the long-term Debts of the Spinning Division being transferred to WCYL under Part III hereof shall cease to exist and stand satisfied.

- (4) Notwithstanding anything contained in this Scheme except 1B(2) above:-

- upto 30<sup>th</sup> September, 2001, the Long Term Debts relating to the Spinning Division shall remain secured by the assets of Spinning Division as well as Residual Business subject to prior charges on the current assets in favour of bankers for working capital.

after 30<sup>th</sup> September, 2001, the Long Term Debts relating to the Spinning Division shall remain secured by the assets of Spinning Division only subject to prior charges on the current assets in favour of bankers for working capital.

upto 30<sup>th</sup> September, 2001, the debts arising out of overdraft and/or working capital facilities provided by Banks relating to the Spinning Division shall remain secured by a first charge on the current assets and a second charge on the assets other than the current assets of the Spinning Division as well as Residual Business.

after 30<sup>th</sup> September, 2001, debts arising out of overdraft and/or working capital facilities provided by Banks relating to the Spinning Division shall remain secured by a first charge on the current assets and a second charge on the assets other than the current assets of the Spinning Division only.

- (5) i. On the Scheme being effective, the repayment of Long Term Debts of the Spinning Division shall, without any further act or deed, stand guaranteed by Welspun India Limited
- ii. On the Scheme being effective, the repayment of debts arising out of overdraft and/or working capital facilities provided by



Banks relating to the Spinning Division shall, without any further act or deed, stand guaranteed by Welspun India Limited

(C) With effect from the Appointed Date the principal amount of the Long Term Debt of the Residual Business and the principal amount of the Long Term Debt of the Spinning Division agreed to be discharged by WIL (recoverable as intercorporate loan from WCYL) as shown in Part B of Schedule I shall be adjusted and be dealt with by WIL as under:

(a) A sum of Rs.7306 lacs being part of the principal amount of Rupee Term Loan / Debentures due to Financial Institutions / Banks, as mentioned in Schedule I hereto shall be dealt with as under :

(i) Sum of Rs. 6671 Lacs, comprising amount mentioned at Serial Nos. A1, A2 and A4 of Schedule I hereto due to Financial Institutions/Banks, being part of Principal Amount, shall stand converted into 13.5% Fully Convertible Debentures (FCDs) of Rs. 100/- each in WIL with effect from the Appointed Date and shall remain secured by the assets of the Residual Business as specified in clause 1D hereof. Such FCDs shall be converted into the equity shares of Rs.10/- each on 30<sup>th</sup> September, 2001 at a price to be determined under SEBI guidelines. For the purpose of determination of the issue price of equity shares, the relevant date shall be 31<sup>st</sup> August, 2001.

(ii) Sum of Rs. 635 lacs mentioned at Serial No. A3 of Schedule I hereto due to IDBI shall be repaid alongwith interest by 31.3.2001. Simultaneously on such payment, IDBI shall subscribe to the FCDs of WIL of the similar amount, secured by the assets of the Residual Business

only, without any further act or deed, as specified in clause ID hereof. Such FCDs shall be converted into equity shares of Rs. 10/- each on 30<sup>th</sup> September, 2001 at a price to be determined under SEBI guidelines. For the purpose of determination of the issue price of equity shares the relevant date shall be 31<sup>st</sup> August, 2001.

- (b) Interest on the aforesaid FCDs accruing with effect from the Appointed Date shall be dealt with as under:

(i) Interest on the FCDs accruing with effect from the Appointed Date at the rate of 13.5% p.a. payable to IFCI and Industrial Investment Bank of India (IIBI) shall be funded upto 30<sup>th</sup> September, 2001. The interest so funded shall be treated as Term Loan and shall carry interest @ 13.5% p.a. The loan so created shall be repaid in three equal annual instalments commencing from March, 2004

(ii) Interest on FCDs accruing with effect from the Appointed Date at the rate of 13.5% p.a. payable to UTI shall be paid half yearly with effect from the Appointed Date to 30<sup>th</sup> September, 2001.

(iii) Interest on FCDs accruing with effect from the date of issue at the rate of 13.5% p.a. payable to IDBI shall be paid quarterly with effect from the date of issue to 30<sup>th</sup> September, 2001.

- (c) A sum of Rs.1967 lacs, being part of the principal amount of Rupee Term Loan / Debentures due to Financial Institutions / Banks, as mentioned in Schedule I hereto shall be dealt with as under :



(i) A sum of Rs. 1757 Lacs comprising amount mentioned of sr.no. A1, A2 and B2 of Schedule I hereto due to Financial Institutions/Banks being part of the principal amount shall stand converted into 13.5% Optionally Fully Convertible Debentures (OFCDs) of Rs 100/- each in WIL with effect from the Appointed Date and shall remain secured by the assets of the Residual Business as specified in clause 1D hereof. Such OFCDs shall be convertible at the option of the holders thereof, into equity shares of Rs. 10/- each on 30<sup>th</sup> September, 2001 at a price to be determined under the SEBI guidelines. For the purpose of determination of the issue price of equity shares, the relevant date shall be 31<sup>st</sup> August, 2001. In the event of the debenture holders not opting for the conversion on 30<sup>th</sup> September, 2001, the OFCDs shall be redeemable in 5 equal annual installments commencing from 15<sup>th</sup> April, 2005.

(ii) A sum of Rs. 210 lacs as mentioned at Serial No. A3 of Schedule I hereto due to IDBI shall be repaid alongwith interest by 31.3.2001. Simultaneously on such payment, IDBI shall subscribe to OFCDs of WIL of the similar amount secured by the assets of Residual Business only, without any further act or deed, as specified in clause 1D hereof. Such OFCDs shall be convertible at the option of the holders thereof, into equity shares of Rs. 10/- each on 30<sup>th</sup> September, 2001 at a price to be determined under SEBI guidelines. For the purpose of determination of the issue price of equity shares, the relevant date shall be 31<sup>st</sup> August, 2001. In the event of the debenture holders not opting for the conversion on 30<sup>th</sup> September, 2001, the OFCDs shall be redeemable in 5 equal annual installments commencing from 15<sup>th</sup> April, 2005.

- (d) Interest on the said OFCDs accruing with effect from the Appointed Date shall be dealt with as under:

(i) Interest on the OFCDs accruing with effect from the Appointed Date at the rate of 13.5% p.a. payable to IFCI and IIBI, shall be funded up to 30<sup>th</sup> September, 2001. The interest so funded shall be treated as Term Loan and shall carry interest @ 13.5% p.a. The loan so created shall be repaid in three equal annual instalments commencing from March, 2004.

(ii) Interest on the OFCDs accruing with effect from the date of issue at the rate of 13.5% p.a. payable to IDBI shall be paid quarterly with effect from the date of issue to 30<sup>th</sup> September, 2001.

(iii) Interest on OFCDs accruing w.e.f. the Appointed Date at the rate of 13.5% p.a. payable to SBBJ shall be paid half yearly w.e.f. the Appointed Date to 30<sup>th</sup> September, 2001



In the event of the Debenture holders not opting for conversion, the debenture holders shall be paid interest Quarterly / Half yearly as applicable with effect from 1<sup>st</sup> October, 2001 till the time the debentures are redeemed from time to time.

- (e) The remaining part of the principal amount of Rupee Term Loan/Debentures of Rs. 7032.95 lacs mentioned as Term Loan/Debentures in Schedule-I hereto shall be dealt with as under:

(i) The principal amount of Rupee Term Loan / Debentures of Rs.4153.16 lacs comprising amounts mentioned at Serial Nos. A1 and A2

of Schedule-I hereto due to Financial Institutions shall remain secured by the assets of the Residual Business only as specified in clause 1D hereof and shall be repayable over a period of 8 years commencing from October 2001 in quarterly installments. The total principal amount that shall be repayable in each of the years shall be as specified in Schedule-III hereto. Interest on the principal amount with effect from the Appointed Date shall be payable quarterly at the varying rates as specified in schedule IV hereto.

(ii) The principal amount of Rupee Term Loan of Rs. 1004.65 lacs as mentioned at Serial No. A3 of Schedule I hereto due to IDBI shall be repaid alongwith interest by 31.3.2001. Simultaneously on such payment IDBI shall subscribe to 13.5% Non-Convertible Debentures (NCDs) of WIL of the similar amount secured by the assets of the Residual Business only, without any further act or deed, as specified in clause 1D hereof. The total principal amount of the NCDs that shall be redeemed in each of the years shall be as specified in Schedule III hereto. Interest on the NCDs with effect from the date of issue thereof shall be payable quarterly at the varying rates as specified in Schedule IV hereto.

(iii) The principal amount of Debentures of Rs.166.70 lacs mentioned at Serial No. A4 of Schedule-I hereto due to UTI shall remain secured by the assets of the Residual Business only as specified in clause 1D hereof and will be repayable by March, 2001 as specified in Schedule III hereto along with interest and redemption premium as per the existing terms of the Debentures.

(iv) The principal amount of Debentures of Rs.500 lacs due to LIC Mutual Fund (LICMF) as mentioned at Serial No.A-5 of Schedule I hereto shall remain secured by the assets of the Residual Business as specified in clause 1D hereof and shall be repayable over a period of 3 years commencing from November 2003 alongwith redemption premium of 3% in three annual installments. The said principal amount that shall be repayable in each of the years shall be as specified in Schedule-III hereto. Interest on the said principal amount with effect from the Appointed Date shall be payable at the rate and terms as specified in schedule IV hereto.

(v) The principal amount of Rupee Term Loan of Rs. 45.12 lacs due to GIC Housing Finance Limited (GICHF) as mentioned at Serial No.A6 of Schedule-I hereto shall remain secured by the specific assets of the Residual Business and shall be repayable over a period of four years commencing from 1<sup>st</sup> April, 2000 in monthly installments as specified in Schedule III hereto. Interest on the said principal amount with effect from the Appointed Date shall be payable monthly at the rate as specified in Schedule IV hereto.

(vi) The principal amount of Rupee Term Loan/Debentures of Rs.1125.11 lacs comprising amount mentioned at Serial Nos. B1 and B2 of Schedule-I hereto due to SBI and SBBJ shall remain secured by the assets of the Residual Business only as specified in clause 1D hereof and shall be repayable over a period of 8 years commencing from October 2001 in quarterly/half yearly installments. The total principal amount that shall be repayable in each of the years shall be as specified in Schedule-III hereto. Interest on the principal amount with effect from the Appointed

Date shall be payable at the rates and terms as specified in Schedule IV hereto.

(vii) The principal amount of Rupee Term Loan of Rs. 38.21 lacs due to Punjab National Bank as mentioned at Serial No. B3 of Schedule-I hereto shall remain secured by the assets of the Residual Business only as specified in clause 1D hereof and will be repayable over a period of 1 year commencing from 1<sup>st</sup> April, 2000 in quarterly installments as specified in Schedule III hereto. Interest on the principal amount with effect from the Appointed Date shall be payable quarterly at the rate as specified in schedule IV hereto.

(f) The principal amount of Foreign Currency Loan of Rs.2791.87 lacs mentioned at Serial No. C1 of Schedule-I hereto due to IFCI shall remain secured by the assets of Residual Business only as specified in clause 1D hereof and shall be repayable over a period of 8 years commencing from October, 2001 in half yearly installments. The total principal amount that shall be repayable in each of the years shall be as specified in Schedule-III hereto. Interest on the principal amount with effect from the Appointed Date shall be payable as per the existing terms of the loan as specified in B(ii) of Schedule IV hereto.



(g) The principal amount of Foreign Currency Loan of Rs.311.16 lacs as mentioned at Serial No. C2 of Schedule I hereto due to IDBI shall be repaid alongwith interest by 31.3.2001. Simultaneously on such payment IDBI shall subscribe to the Rupee Non-Convertible Debentures (NCDs) of WIL of similar amount, secured by assets of Residual Business only, without any further act or deed, as specified in clause 1D hereof. Such

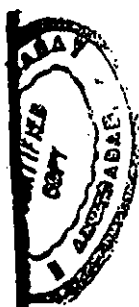
NCDs shall be redeemed over a period of 8 years commencing from October, 2001 in quarterly installments. The total principal amount of the NCDs that shall be redeemed in each of the years shall be as specified in Schedule III hereto. Interest on the principal amount with effect from the Date of issue of NCDs shall be payable quarterly at the varying rates as specified in B(i) of Schedule IV hereto.

- (h) The principal amount of Foreign Currency Loan of Rs.728.34 lacs mentioned at Serial No.D1 of Schedule-I hereto due to KBC Bank n.v. (KBC Bank) shall remain secured by the assets of Residual Business as specified in clause 1D hereof and shall be repayable over a period of four years commencing from 1<sup>st</sup> April, 2000 in monthly/quarterly installments. The total principal amount that shall be repayable in each of the years shall be as specified in Schedule-III hereto. Interest on the principal amount with effect from the Appointed Date shall be payable as per the existing terms of the loan as specified in B(ii) of Schedule IV hereto.

- (i) The principal amount of Foreign Currency Loan of Rs. 1663.43 lacs mentioned at Serial No. D2 of Schedule I hereto to SBI which has been converted into Rupee Term Loan with effect from May 2000, shall remain secured by the assets of Residual Business as specified in clause 1D hereof and shall be repayable over a period of 8 years commencing from October, 2001 in half yearly installment. The total principal amount that shall be repayable in each of the years shall be as specified in Schedule III hereto. Interest on the principal amount with effect from the Appointed Date shall be payable at the rate and terms as specified in B(i) of Schedule IV hereto.

- (j) The principal amount of Rs. 280 lacs due to SICOM out of the principal amount of Rs. 1677.57 lacs mentioned at Serial No. E of Schedule I hereto, has been converted into 13.5% Redeemable Cumulative Preference Shares with effect from the Appointed Date. The said Preference Shares shall be redeemable in half yearly installments of Rs. 35 lacs each commencing from 30<sup>th</sup> September, 2000. The balance principal amount of Rs. 1397.57 lacs shall be repaid as per existing terms of the respective loans.

- 1D (a) Subsisting charges over the immovable and/or moveable assets pertaining to the Residual Business shall continue to be in full force and effect as before for the payment of all the long term Debts retained in the Residual Business as stated above Subject to the prior charges on the current assets in favour of bankers for working capital.




- (b) For repayment of Rupee Term Loan/Foreign Currency Loans the subsisting charges on specified assets or on the other assets of Residual Business shall continue to be in full force and effect as before Subject to the prior charges on the current assets in favour of bankers for working capital .
- (c) Subsisting charges over the immovable and / or moveable assets of the Spinning Division securing the long term debts to be discharged by WIL shall cease to exist and stand satisfied.
- (d) Notwithstanding anything contained in this Scheme except 1D(b) above:-

upto 30<sup>th</sup> September, 2001, the Long Term Debts relating to the Residual Business and Long Term Debts of the Spinning Division agreed to be discharged by WIL, shall remain secured by the assets of the Residual Business as well as the Spinning Division subject to prior charges on the current assets in favour of bankers for working capital.

after 30<sup>th</sup> September, 2001, the Long Term Debts relating to the Residual Business and the Long Term Debts of the Spinning Division agreed to be discharged by WIL, shall remain secured by the assets of the Residual Business only subject to prior charges on the current assets in favour of bankers for working capital.

upto 30<sup>th</sup> September, 2001, the debts arising out of overdraft and/or working capital facilities provided by Banks relating to the Residual Business shall remain secured by a first charge on the current assets and a second charge on the assets other than the current assets of the Residual Business as well as Spinning Division.

after 30<sup>th</sup> September, 2001, debts arising out of overdraft and/or working capital facilities provided by Banks relating to the Residual Business shall remain secured by a first charge on the current assets and a second charge on the assets other than the current assets of the Residual Business only.

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- (e) i. On the Scheme being effective, the repayment of the Long Term Debts of the Residual Business and the Long Term Debts of the Spinning Division agreed to be discharged by WIL, shall without any further act or deed, stand guaranteed by Welspun Cotton Yarn Limited.



ii. On the Scheme being effective, the repayment of debts arising out of overdraft and/or working capital facilities provided by Banks relating to the Residual Business shall, without any further act or deed, stand guaranteed by Welspun Cotton Yarn Limited.

1E (a) On the Scheme being effective and on conversion of Term Loans and / or Non Convertible Debentures and / or any part thereof, without any further act or deed into Fully Convertible Debentures and/or Optionally Fully Convertible Debentures of WIL and on transfer of Non-Convertible Debentures, if any, to WCYL, without any further act or deed, as per the allocation to be effected by Financial Institutions/Banks, WIL and WCYL shall take all steps to give effect to the same within 3 months from the Effective Date.

(b) The Preference Shares held by SICOM shall be surrendered to WIL for cancellation and in turn WIL and WCYL shall issue certificates to SICOM.

1F With effect from the Appointed Date the rate of interest on all overdraft and / or working capital facilities provided by Banks to WIL shall remain unchanged.

1G The creditors for long term Debts shall not be entitled to claim any payment in respect of the same or recall or convert the same into shares save as provided herein.

1H Even after this Scheme becomes operative each of the Creditors for the long terms debts shall be at liberty to agree to and accept repayment and /



or settlement of their long term Debts on such modified terms and conditions as may be agreed upon and considered favorable to WIL and/or WCYL.

- 1I Any other interests, penal interest, liquidated damages, costs, charges or expenses as on the Appointed Date, if any charged, chargeable, recoverable or payable in respect of the long term Debts shall not be levied and shall stand waived.
- 1J On the Scheme being effective the Promoters shall be liable to infuse an amount of Rs.500 lacs in WIL either in their individual capacity or through any of their associate companies in the form of 0% Fully Convertible Preference Shares (CPS) which shall stand converted in Equity Shares on 30<sup>th</sup> September, 2001, on the same terms and conditions as mentioned in clause 1C (a)(i) of Part II of the Scheme.
2. With effect from the Appointed Date the allocation, apportionment and settlement of the Preference Share Capital as on 31<sup>st</sup> March, 2000 of WIL shall be as set out in Schedule V hereto and shall be redeemed as provided in the Scheme.
- 2A The Preference Share Capital allocated and apportioned as on the Appointed Date to WCYL on the Spinning Division being transferred to WCYL under Part III hereof shall be dealt with as under:
  - (a) Upon the Scheme being effective, WCYL shall without any application issue and allot 3,00,000 – 13% Redeemable Cumulative Preference Shares (RCPS) of Rs.100/- each aggregating Rs. 300

lacs to IFCI and the said RCPS shall be redeemed in three equal annual installments commencing from 28<sup>th</sup> November, 2002 as specified in Schedule V hereto.

- (b) Upon the Scheme being effective, WCYL shall without any application issue and allot 1,20,00,000 – 13% Optionally Convertible Cumulative Preference Shares (OCCPs) of Rs.10/- each aggregating Rs. 1200 lacs to UTI. UTI shall have an option to convert Rs.600 lacs, being 50% of Rs.1200 lacs into equity shares of Rs.10/- each at a price as may be determined under SEBI guidelines for Preferential Allotment, on 30<sup>th</sup> September, 2001. The Relevant Date for the purpose of determining the price shall be 31<sup>st</sup> August, 2001. In the event of UTI not opting for the conversion of OCCP in full, the non converted portion of the convertible amount of OCCPs shall be redeemable in 3 equal annual installments commencing from April 8, 2005. The balance amount of Rs.600 lacs shall be redeemable in 3 equal annual installments commencing from April 8, 2005 as specified in Schedule V hereto.

- (c) Upon the Scheme being effective, WCYL shall without any application issue and allot 1,50,000 – 13% Optionally Convertible Cumulative Preference Shares (OCCPs) of Rs.100/- each aggregating Rs. 150 lacs to UTI. UTI shall have an option to convert them into equity shares of Rs.10/- at a price as may be determined under SEBI guidelines for Preferential Allotment, on 30<sup>th</sup> September, 2001. The Relevant Date for the purpose of determining the price shall be 31<sup>st</sup> August, 2001. In the event of UTI not opting the conversion of OCCP in full, the non converted

portion of the convertible amount of OCCPs shall be redeemable in 3 equal annual installments commencing from April 8, 2004 as specified in Schedule V hereto.

- (d) Upon the Scheme being ~~effective~~, WCYL shall without any application issue and allot 30,000 – 13% Redeemable Cumulative Preference Shares (RCPS) of Rs.100/- each aggregating Rs. 30 lacs to Oriental Insurance Corporation of India Ltd. (OICL) and the said RCPS shall be redeemed in two equal annual instalments commencing from 31<sup>st</sup> December, 2001 as specified in Schedule V hereto.

- (e) Upon the Scheme being effective, WCYL shall without any application issue and allot 5,00,000 – 0% Redeemable Preference Shares (RPS) of Rs.100/- each aggregating Rs. 500 lacs to Welspun Mercantile Private Limited and the said RPS shall be redeemed in the year 2009-2010 as specified in Schedule V hereto i.e. only after all Institutional / Bank Term Loans / Debentures / Preference Shares outstanding as on 01.04.2000 are fully repaid / redeemed with interest / dividend.

2B The Preference Share Capital retained by WIL as on the Appointed Date shall be dealt with as under:

- i. 7,00,000 – 13% Redeemable Cumulative Preference Shares (RCPS) of Rs. 100/- each aggregating Rs. 700 lacs held by IFCI shall be redeemed in three equal annual instalments commencing from 28<sup>th</sup> November, 2002 as specified in Schedule-V hereto.





- iv. 70,000 – 13% Redeemable Cumulative Preference Shares (RCPS) of Rs. 100/- each aggregating Rs. 70 lacs held by OICL shall be redeemed in two equal annual instalments commencing from 31<sup>st</sup> December, 2001 as specified in Schedule V hereto.

2C The Preference Shares held by the Preference Shareholders shall be surrendered to WIL for cancellation and in turn WIL and WCYL shall issue Certificates to the Preference Shareholders in terms of Clause 2A and 2B of Part II of the Scheme.

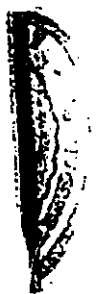
2D Dividend in arrears on Preference Share Capital as on 31<sup>st</sup> March 2000 is Rs.7,65,14,110. The liability towards the said dividend in arrears will be transferred to WCYL to the extent of Rs.2,29,54,233 and the balance liability shall be retained with WIL. The arrears of dividend as allocated shall become payable before payment of dividend to the equity shareholders by WCYL or WIL.

### PART – III

1. With effect from the Appointed Date, the Spinning Division as specified in clause 7 of Part I of the Scheme shall stand transferred as a going concern to WCYL and the Spinning Division would consequently vest in WCYL with effect from the said date for all the estate and interest of WIL therein, subject however, to all charges, liens, lis pendens, mortgages and

encumbrances, if any, affecting the same or any part thereof and arising out of the liabilities which shall also stand transferred to WCYL but free from all other charges, liens, lis pendens, mortgages and encumbrances. The transfer and vesting shall be effected as follows:

- (a) In respect of such of the said assets as are moveable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall, be so transferred by WIL to WCYL, without requiring any deed or instrument of conveyance for the same and shall become the property of WCYL accordingly.
- (b) In respect of such of the said assets other than those referred to in the preceding sub-paragraph (a) above the same shall, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and vested in WCYL pursuant to an order being made therefor under section 394 of the Act.

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- 2. All debts, liabilities, duties and obligations of WIL relating to the Spinning Division as on the Appointed Date, whether provided for or not in the books of accounts of WIL, and all liabilities of WIL directly relating to the Spinning Division which may accrue or arise from the Appointed Date but which relate to the period upto the date immediately preceding the Appointed Date, and as mentioned in clause 7 (b) of Part I of the Scheme shall become the debts, liabilities, duties and obligations of WCYL and WCYL undertakes to meet, discharge and satisfy the same to the exclusion of WIL and to keep WIL indemnified at all times from and against all such debts, liabilities, duties and obligations and from and against all actions, demands and proceedings in respect thereto.

3. Employees of the Spinning Division :

- (a) WCYL undertakes to engage all the permanent employees of WIL engaged in the Spinning Division on the same terms and conditions on which they are engaged by WIL without any interruption of service as a result of the transfer of the Spinning Division to WCYL. Accordingly, the terms and conditions of service in WCYL of the said employees of the Spinning Division shall not be in any way less favourable than those applicable to them immediately before the transfer of the Spinning Division to WCYL. WCYL agrees that the services of all such employees with WIL prior to such transfer shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.
- (b) The accumulated balances, if any, standing to the credit of the employees of the Spinning Division respectively in the existing Provident Fund, Pension and Superannuation Fund and Gratuity Fund of which they are members will be transferred to such other Funds, as are recognised by the concerned authorities on application by WCYL. Pending transfer and/or approval by the concerned authorities to the above, the said Provident Fund, Pension and Superannuation Fund and Gratuity Fund dues of the employees of the Spinning Division would be continued to be deposited in the existing respective Funds. The amount of liability in respect of gratuity and leave (determined as the sum payable on the Appointed Date as if the same were due) relating to the employees of the Spinning Division shall be appropriately adjusted by WIL and transferred to WCYL.



4. All legal or other proceedings by or against WIL and relating to the Spinning Division shall be continued and enforced by or against WCYL only.
5. With effect from the Appointed Date and upto and including the date on which this Scheme becomes operative :
  - (a) WIL undertakes to carry on the business of the Spinning Division in the ordinary course of business and WIL shall be deemed to have carried on and to be carrying on all business and activities relating to Spinning Division for and on account of and in trust for WCYL.
  - (b) All profits accruing to WIL or losses arising or incurred by it relating to the Spinning Division for the period falling on and after the Appointed Date shall for all purposes, be treated as the profits or losses, as the case may be, of WCYL.
  - (c) WIL shall be deemed to have held and stood possessed of the Spinning Division to be transferred to WCYL for and on account of and in trust for WCYL and, accordingly WIL shall not (without the prior written consent of WCYL) alienate, charge or otherwise deal with or dispose of the Spinning Division or any part thereof except in the usual course of business.
6. The transfer and vesting of the properties and liabilities of the Spinning Division under clause 1 hereof and the continuance of the proceedings by or against WCYL under clause 4 hereof shall not affect any transaction or proceeding already completed by WIL on and after the Appointed Date to

the end and intent that WCYL accepts all acts, deeds and things done and executed by and / or on behalf of WIL as acts, deeds and things done and executed by and on behalf of WCYL.

7. Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements, insurance policies and other instruments of whatsoever nature relating to the Spinning Division to which WIL is a party subsisting or having effect immediately before this Scheme becomes operative shall remain in full force and effect against or in favour of WCYL and may be enforced as fully and effectually as if instead of WIL, WCYL had been a party thereto.

8. (a) Upon the Scheme becoming effective and on transfer and vesting of the Spinning Division to WCYL taking place thereunder, WCYL shall without any further application issue and allot to every Member of WIL holding Equity Shares in WIL on a date to be fixed by the Board of Directors of WIL (hereinafter referred to as "the Record Date") 3 (Three) Equity Shares in WCYL of Rs.10/- each credited as fully paid up for every 10 (Ten) equity shares of Rs.10/- each held by such member in WIL or in proportion thereof, subject to sub-clause (b) below:

- (b) In case any Member's shareholding in WIL is such that he becomes entitled to a fraction of one share of WCYL, WCYL shall not issue fractional share certificate to him but shall consolidate the fractions and issue the consolidated shares to a Trustee nominated by the Board of Directors of WCYL who shall sell such shares and distribute the net sale proceeds to such shareholders in proportion to their respective fractional entitlements.



(c) The said Equity Shares to be issued and allotted by WCYL under the terms of the sub-clause (a) hereinabove shall rank pari passu in all respects with the existing shares of WCYL except that they shall be entitled to dividend, if any, declared for the Financial Year of WCYL in which the shares are allotted on pro-rata basis.

(d) After the issue and allotment of shares to the members of WIL in accordance with sub-clause (a) above is completed, subject to applicable regulations, an application shall be made to the Regional and other Stock Exchanges, if necessary, where Equity Shares of WIL are presently listed for listing and admitting to trading the shares of WCYL.

9. (a) Upon the Scheme being Effective, the issued and paid up capital of WIL shall be reduced and that such reduction shall be effected by reducing the paid up capital by Rs.3 per Equity Share of Rs.10/- each, Rs. 100/- per Preference Share of Rs. 100/- each held by the Promoters and in respect of other Preference Shares, Rs.3 per Preference Share of Rs.10 each or Rs.30 per Preference Share of Rs.100/- each, as the case may be, which have been issued.



- (b) The Shareholders of WIL shall upon the Scheme becoming effective and upon being so notified, surrender their Equity Shares and / or Preference Shares in WIL to WIL which shall deliver to such shareholders the shares in WIL to which they will be entitled in terms of the Scheme after allotment.

(c) Simultaneously with such reduction of share capital of WIL, the Equity shares and/or Preference shares, as the case may be, so reduced shall be consolidated into Equity Shares of Rs.10/- each and Preference Shares of Rs.10/- each or Rs.100/- each, as the case may be, and accordingly each shareholder of WIL on such consolidation shall be allotted fully paid up Equity Shares of Rs.10/- each and / or fully paid up Preference shares of Rs.10/- each or Rs.100/- each as the case may be, as per his entitlement.

(d) In case any member's shareholding in WIL is such that he becomes entitled to a fraction of one share of WIL on such consolidation as mentioned in sub-clause (c) above, WIL shall not issue fractional share certificate entitlements to him but shall consolidate the fractions and shall issue the consolidated shares to a Trustee nominated by the Board of Directors of WIL who shall sell the shares and distribute the net sale proceeds to such Equity Shareholders and Preference Shareholders, as the case may be in proportion to their respective fractional entitlements.

(e) Notwithstanding the reduction of capital by WIL, WIL shall not be required to add "and reduced" as a suffix to its name and WIL shall continue in its old name.

10. The Debit balance in the Profit and Loss Account as on 31<sup>st</sup> March, 2000 of WIL and loss resulting from transfer of business to WCYL as on Appointed Date shall stand adjusted against the Capital Reserve, Share Premium Account, Debenture Redemption Reserve Account and Capital Redemption Reserve Account of WIL.

11. No separate meeting of the shareholders of WIL shall be called for under Section 372A of the Act for the inter-corporate loans deemed to have been given by WIL to WCYL in terms of this Scheme and for that no separate consent of the Public Financial Institutions shall be obtained by WIL and that the Shareholders and the Public Financial Institutions who are the creditors of WIL hereby give their consent to WIL to give such inter-corporate loans, as per the Scheme, once the Scheme is sanctioned by the Hon'ble Gujarat High Court.
  
12. Even after this Scheme becomes operative WCYL shall be entitled to realise all monies and complete and enforce all pending contracts and transactions in respect of the Spinning Division in the name of WIL in so far as may be necessary until the transfer of rights and obligations of WIL to WCYL under this Scheme is formally accepted by the parties concerned.
  
13. (a) The Authorised Share Capital of WCYL shall, upon the Scheme becoming operative, stand increased to Rs.36,25,00,000 divided into 1,31,00,000 Equity shares of Rs. 10/- each, 1,20,00,000 Preference Shares of Rs.10/- each and 11,15,000 Preference Shares of Rs. 100/- each and Clause V of the Memorandum of Association and Article 5 of the Articles of Association of WCYL shall stand altered accordingly..
  
- (b) The Authorised Share Capital of WCYL on 30<sup>th</sup> September, 2001 that is the date of conversion of convertible securities namely the Optionally Convertible Cumulative Preference Shares (OCCPs) as contained in the Scheme shall, without any further act or deed, stand altered/increased in such manner or by such number of Shares of different



classes and amounts as may be necessary to issue and allot equity shares to give effect to the Scheme and Clause V of the Memorandum of Association and Article 5 of the Articles of Association of WCYL shall stand altered accordingly. Necessary particulars shall be filed with the Registrar of Companies, Gujarat, Ahmedabad within a period of 30 days from the date of aforesaid conversion and consequent increase in the Authorised Capital.

14. The Authorised Share Capital of WIL on 30<sup>th</sup> September, 2001 that is the date of conversion of convertible securities viz., Fully Convertible Debentures (FCDs), Optionally Fully Convertible Debentures (OFCDs), Optionally Convertible Cumulative Preference Shares (OCCPs) and Fully Convertible Preference Shares (CPS), contained in the scheme shall, without any further act or deed, stand altered/increased in such manner or by such number of shares of different classes and amount as may be necessary to issue and allot equity shares to give effect to the Scheme and Clause V of the Memorandum of Association and Article 5 of the Articles of Association of WIL shall stand altered accordingly. Necessary particulars shall be filed with the Registrar of Companies, Gujarat, Ahmedabad within a period of 30 days from the date of aforesaid conversion and consequent increase / alteration in the Authorised Capital.

#### PART - IV

1. WIL and WCYL shall make necessary applications before the Hon'ble High Court of Gujarat at Ahmedabad for the sanction of this Scheme. The scheme shall become operative with effect from the Appointed Date after the Effective Date.

2. All existing charges over the properties of the Spinning Division and Residual Business shall be deemed to have been vacated and/or modified as per the provisions of this Scheme.
3. For the purpose of payment of interest and for the purpose of payment of the principal amount and/or redemption of the various debentures, and preference shares in accordance with the provisions hereof, "year" shall mean the period of 12 months commencing on the 1<sup>st</sup> April, 2000.
4. The respective principal amounts of each of the Financial Institutions and Banks in respect of the long term Debts of the Spinning Division and Residual Business and the respective amounts thereof to be paid as above rounded off to Rupees / Lacs are specified in the Schedules hereto.
5. Any payments made or adjusted on or after the Appointed Date until the Effective Date to or by any Creditors for long term Debts shall stand adjusted against the dues of payment of Principal or interest as the case may be in the Schedules hereto.
6. This Scheme supersedes all previous understandings and agreements between the parties and shall constitute final agreement between them.
7. WIL and WCYL will have unequivocal right to prepay any of the debts in any order whatsoever without payment of any premium or levy of any penalty.

8. Upon the Scheme being effective WIL and WCYL shall file necessary particulars and/or modification (s) of charge with the Registrar of Companies, Gujarat to give effect to the provisions contained in Part II and III of the Scheme.
9. (a) The Board of Directors of WIL and WCYL or any person authorised by them may assent to any alteration or modification to this Scheme which the Hon'ble Court and/or any other Authority may deem fit to approve or impose or which the said Board of Directors may, in their sole discretion, think fit and the Boards of Directors may do all such acts, things and deeds as may be necessary, desirable, expedient and/or appropriate for the purpose of implementing this Scheme and/or to settle any question, doubt or difficulty regarding implementation of this Scheme or otherwise arising under this Scheme or in any manner connected therewith.
- (b) Any issue as to whether any asset or liability pertains to the Spinning Division or not shall be decided by the Boards of Directors of WIL and WCYL, either by themselves or through a Committee appointed by them in this behalf.
10. WIL and/or WCYL shall each be at liberty to withdraw from this Scheme of Compromise and/or Arrangement in case any condition or alteration imposed by any competent authority is unacceptable to them.
11. All costs, charges and expenses including common allocated expenses and restructuring charges, if any incurred in carrying out, and implementing the transfer of the Spinning Division to WCYL shall be borne by WIL.
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## SCHEDULE - I

## PART A - SPINNING DIVISION

## LONG TERMS DEBTS OUTSTANDING AS ON 31-03-2000 AND ITS PROPOSED SETTLEMENT

Name of Financial Institutions (FIs) Banks	SPINNING DIVISION DEBT				SETTLEMENT OF SPINNING DIVISION DEBT			
	Principal	Interest	LD/PI* etc	Total	Principal	Int. Payment by 31-03-01	Waiver of LD/PI*etc	TOTAL
<b>Rs. in Lacs</b>								
<b>Rs-Rupee Term Loans/Deb.</b>								
FCI	1141.54	124.83	4.99	1271.36	1141.54	124.83	4.99	1271.36
OBI	56.86	3.30	0.00	60.16	56.86	3.30	0.00	60.16
Total A (1+2)	1198.40	128.13	4.99	1331.52	1198.40	128.13	4.99	1331.52
<b>Banks-Rupee Term Loans</b>								
SBI	57.60	0.05	0.00	57.65	57.60	0.05	0.00	57.65
SBBJ	54.15	4.60	0.20	58.95	54.15	4.60	0.20	58.95
Total B (1+2)	111.75	4.65	0.20	116.60	111.75	4.65	0.20	116.60
SAKURA	35.25	0.40	0.00	35.65	35.25	0.40	0.00	35.65
UTI BANK	21.29	0.00	0.00	21.29	21.29	0.00	0.00	21.29
CANARA	21.40	0.82	0.00	22.22	21.40	0.82	0.00	22.22
Total E (3+4+5)	77.94	1.22	0.00	79.16	77.94	1.22	0.00	79.16
Total (B)	189.69	5.87	0.20	195.76	189.69	5.87	0.20	195.76
Total (A + B)	1388.09	134.00	5.19	1527.28	1388.09	134.00	5.19	1527.28
<b>Foreign Currency Loans- FIs</b>								
FCI	967.70	95.84	5.65	1069.19	967.70	95.84	5.65	1069.19
OBI	77.79	9.26	2.74	89.79	77.79	9.26	2.74	89.79
Total C (1+2)	1045.49	105.10	8.39	1158.98	1045.49	105.10	8.39	1158.98
<b>Foreign Currency Loans-Banks</b>								
SBI	2244.70	39.91	0.00	2284.61	2244.70	39.91	0.00	2284.61
KBC BANK	1872.88	6.35	0.00	1879.23	1872.88	6.35	0.00	1879.23
Total D (1+2)	4117.58	46.26	0.00	4163.84	4117.58	46.26	0.00	4163.84
Total (C + D)	5163.07	151.36	8.39	5322.82	5163.07	151.36	8.39	5322.82
Total (A+B+C+D)	6551.16	285.36	13.58	6850.10	6551.16	285.36	13.58	6850.10
<b>Unsecured Loan</b>								
Total (E)	120.00	0.00	0.00	120.00	120.00	0.00	0.00	120.00
Grand Total (A to E)	6671.16	285.36	13.58	6970.10	6671.16	285.36	13.58	6970.10

\*LD/PI= Liquidated Damages / Penal Interest

## SCHEDULE - I

## PART B - RESIDUAL BUSINESS-WIL

## LONG TERM DEBTS OUTSTANDING AS ON 31-03-2000 AND ITS PROPOSED SETTLEMENT

Name of Financial Institutions (FIS) Banks	RESIDUAL (WIL) DEBTS & OTHER DEBTS				SETTLEMENT OF RESIDUAL DEBTS IN WIL AND OTHER DEBTS TO BE DISCHARGED BY WIL					
	Principal	Interest	LD / PI ETC*	Total	Principal Amount			Interest payment b 31/03/01	WAIVER OF LD/PI/ET	TOTAL
					FCD <sup>1</sup>	OFCD <sup>2</sup>	Term Loan / Deb.			
<b>Rs-Rupee Term Loans/Deb.</b>										
FCI	9581.16	1035.20	53.68	10670.04	4451.00	1484.00	3646.16	1035.20	53.68	10670.04
COBI	800.00	119.29	61.05	980.34	220.00	73.00	507.00	119.29	61.05	980.34
Total A (1+2)	10381.16	1154.49	114.73	11650.38	4671.00	1557.00	4153.16	1154.49	114.73	11650.38
COBI	1849.65	167.67	56.04	2073.36	635.00	210.00	1004.65	167.67	56.04	2073.36
COBI	2166.70	348.31	17.31	2532.32	2000.00	0.00	166.70	348.31	17.31	2532.32
UCMF	500.00	88.97	0.00	588.97	0.00	0.00	500.00	88.97	0.00	588.97
GC-MF	45.12	0.00	0.00	45.12	0.00	0.00	45.12	0.00	0.00	45.12
Total A	14942.63	1759.44	188.08	16890.15	7306.00	1767.00	5869.63	1759.44	188.08	16890.15
<b>Banks-Rupee Term Loan / Deb.</b>										
SBI	644.80	1.00	0.00	645.80	0.00	0.00	644.80	1.00	0.00	645.80
SBI	680.31	42.97	7.44	730.72	0.00	200.00	480.31	42.97	7.44	730.72
Total B (1+2)	1325.11	43.97	7.44	1376.52	0.00	200.00	1125.11	43.97	7.44	1376.52
FNB	38.21	19.91	0.00	58.12	0.00	0.00	38.21	19.91	0.00	58.12
Total B	1363.32	63.88	7.44	1434.64	0.00	200.00	1163.32	63.88	7.44	1434.64
<b>Total Rupee Term Loans/Deb (A+B)</b>	<b>16305.95</b>	<b>1823.32</b>	<b>195.52</b>	<b>18324.79</b>	<b>7306.00</b>	<b>1967.00</b>	<b>7032.95</b>	<b>1823.32</b>	<b>195.52</b>	<b>18324.79</b>
<b>Foreign Currency Loans- FI's</b>										
FCI	2791.87	237.32	9.17	3038.36	0.00	0.00	2791.87	237.32	9.17	3038.36
COBI	311.16	59.17	10.98	381.31	0.00	0.00	311.16	59.17	10.98	381.31
Total (C)	3103.03	296.49	20.15	3419.67	0.00	0.00	3103.03	296.49	20.15	3419.67
<b>Foreign Currency Loans- Banks</b>										
REC BANK	728.34	2.47	0.00	730.81	0.00	0.00	728.34	2.47	0.00	730.81
SBI	1663.43	0.00	0.00	1663.43	0.00	0.00	1663.43	0.00	0.00	1663.43
Total (D)	2391.77	2.47	0.00	2394.24	0.00	0.00	2391.77	2.47	0.00	2394.24
Total C+D	5494.80	298.96	20.15	5813.91	0.00	0.00	5494.80	298.96	20.15	5813.91
Total A+B+C+D	21800.75	2122.28	215.67	24138.70	7306.00	1967.00	12527.75	2122.28	215.67	24138.70
<b>Unsecured Loans</b>										
Total (E)	1677.57	0.00	0.00	1677.57	0.00	0.00	1677.57	0.00	0.00	1677.57
Total (E)	1677.57	0.00	0.00	1677.57	0.00	0.00	1677.57	0.00	0.00	1677.57
<b>Grand Total (A to E)</b>	<b>23478.32</b>	<b>2122.28</b>	<b>215.67</b>	<b>25816.27</b>	<b>7306.00</b>	<b>1967.00</b>	<b>14205.32</b>	<b>2122.28</b>	<b>215.67</b>	<b>25816.27</b>

\*LD/PI = Liquidated Damages / Penal Interest

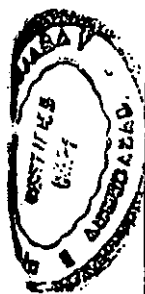
<sup>1</sup>FCD = 13.5% Fully Convertible Debentures<sup>2</sup>OFCD = 13.5% Optionally Fully Convertible Debentures

Repayment terms of Long Term Debts pertaining to Spinning Division and being transferred to WCTL proposed in the scheme as part of the Long Term Debts Settlement

Sr No.	Name of FIs/Banks	Principal (Rs.in lacs)	Term	Repayment Redemption	REPAYMENT (%)									TOTAL
					2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	
<b>A. Foreign Term Loans/Deb.</b>														
1	IFCI	1141.54	1.5M+8 yrs	Qtrly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	100.00%
2	IOBI	56.96	8 yrs from October, 2001	Qtrly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	100.00%
Total (A)		1198.50												
<b>B. Banks-RTI / DEB.</b>														
1	SBI	57.60	1.5M + 8 yrs	Qtrly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	100.00%
2	SBI	54.15	1.5M + 8 yrs	Qtrly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	100.00%
Total B (1+ 2)		111.75												
<b>C. Foreign Currency Loans- FIs</b>														
1	IFCI	967.70	1.5M + 8 yrs	half yearly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	100.00%
2	IOBI	77.79	8 yrs from October, 2001	Qtrly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	100.00%
Total (C)		1045.49												
<b>D. Foreign Currency Loans-Banks</b>														
1	SBI	2244.70	1.5M + 8 yrs	half yearly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	100.00%
2	KBC BANK	1872.88	4 Years	Monthly / Qtrly	29.19%	42.43%	14.80%	13.47%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Total (D)		4117.58												
Total (C+D)		5163.07												
Grand Total (A to D)		6551.16												

M = Moratorium Period (Years) from the Appointed Date

Qtrly = Quarterly



**SCHEDULE III**  
**Payment Terms of Long Term Debt of Retail Business and Debts retained by WFL, prepared in the Scheme as part of Long Term Debt Settlement**

Sl. No.	Name of the Debt	Principal (Rs. in Lacs)	Term	Frequency of Interest	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>A. Foreign Term Loans/Debts</b>																
1	FCI	3648.16	1.5M + 8 yrs	Qly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
2	ICI	502.00	1.5M + 8 yrs	Qly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
	Total A (1+2)	4150.16														
3	ICBI	1004.59	8 yrs term	Qly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
4	ICI	106.70	1 year	Yearly	100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	LCMF	500.00	3 yrs term from Nov 2003	Yearly	0.00%	0.00%	0.00%	33.33%	33.33%	33.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	GIC-1	45.12	4 Years	Monthly	35.82%	37.03%	13.53%	13.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Total F (A)	5862.53														
<b>B. Banks-RTI, LMSD</b>																
1	SBI	1544.8	1.5M + 8 yrs	Half yearly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
2	SBI	480.21	1.5M + 8 yrs	Qly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
3	PNB	1125.11	1 year	Qly	100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Total B (1+2+3)	3670.12														
	Total (A+B)	7032.95														
<b>C. Foreign Currency Loans-FCI</b>																
1	FCI	2791.87	1.5M + 8 yrs	Half yearly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
2	ICI	311.16	8 yrs term	Qly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
	Total (C)	3103.03														
<b>D. Foreign Currency Loans-Banks</b>																
1	SBI BANK	729.34	8 yrs	Monthly	29.19%	42.43%	14.80%	13.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	SBI	1961.43	1.5M + 8 yrs	Half yearly	0.00%	2.50%	10.00%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
	Total (D)	2690.77														
	Total FCI Banks (C+D)	5493.80														
	Grand Total (A to G)	13527.75														

10 = Maximum Period (10 yrs) from the Approved Date

7A = Maximum Period (Years) from the Appointed Date

Qly = Quarterly ... out of Rs. 644.80 lacs. Rs. 28.80 lacs shall be repaid as per the payment terms of the debt.



## Terms of interest payment on restructured debts

## A WELSPUN COTTON YARN LIMITED (SPINNING DIVISION)

## (1) Rupee Term Loans and / or Non-convertible Debentures

Interest will be paid on the amount outstanding at the rates given below

YEAR	RTL <sup>1</sup> and/or DEB <sup>2</sup> - IFCL / MCB	SAKURA / UTI	CANARA
2000-01	13.50%	17.00%	14.00%
2001-02	13.50%	-	-
2002-03	14.50%	-	-
2003-04	15.00%	-	-
2004-05	17.00%	-	-
2005-06	17.00%	-	-
2006-07	17.00%	-	-
2007-08	17.00%	-	-
2008-09	17.00%	-	-
Payment Terms	Quarterly	Quarterly	Quarterly

## SCHEDULE - IV

## B WELSPUN INKHA LIMITED (RESIDUAL BUSINESS &amp; OTHER DEBTS)

## (1) Rupee Term Loans and / or Non-convertible Debentures

Interest will be paid on the amount outstanding at the rates given below

YEAR	RTL <sup>1</sup> and/or DEB <sup>2</sup> - IFCL / MCB / MHB	PUNJAB L BANK	GIC - HFC	LC - MUTUAL FUND	PGC NEW INTEREST FUND	LC INF -
2000-01	13.50%	14.00%	16.00%	13.00%	13.50%	13.00%
2001-02	13.50%	-	16.00%	13.00%	13.50%	13.00%
2002-03	14.50%	-	16.00%	13.00%	13.50%	13.00%
2003-04	16.00%	-	16.00%	13.00%	13.50%	13.00%
2004-05	17.00%	-	16.00%	13.00%	13.50%	13.00%
2005-06	17.00%	-	16.00%	13.00%	13.50%	13.00%
2006-07	17.00%	-	16.00%	13.00%	13.50%	13.00%
2007-08	17.00%	-	16.00%	13.00%	13.50%	13.00%
2008-09	17.00%	-	16.00%	13.00%	13.50%	13.00%
Payment Terms	Quarterly	Quarterly	Monthly	Monthly /		Quarterly

\* Interest from the Appointed Date to 31-03-2001 shall be paid in monthly instalment of Rs 5.42 lacs starting from April, 2001 and ending on March, 2002

Interest on Rupee Term Loan of SBI shall be payable as under

Period	Rate of Interest
1/4/2000 to 31/3/2000	15% p.a.
1/4/2000 to 31/3/2002	10% p.a.
1/4/2002 to 31/3/2009	12% or Prime Lending Rate whichever is higher

However, interest for the period from 1/1/2001 to 31/12/2001 shall be funded and the same will be repaid in six half yearly instalments in 2003-04 to 2005-06. The amount so funded shall carry interest @ 10% p.a. payable quarterly

## (1) Foreign Currency Loan (FCL)

Interest rate as per the existing terms of the loan  
 - Interest on FCL of SBI for the period from 1.08.2000 to 31.07.2001 shall be funded and the same will be repaid in 6 equal half yearly instalments from the financial year 2003-04 to 2005-06. The amount so funded shall carry interest at the rate of 10% p.a. payable quarterly

## (1) Working Capital Demand Loan

Interest will be payable at the rates specified in respective Banks sanction

Interest on Rupee Term Loan of SBI shall be payable as under

Period	Rate of Interest
1/4/2000 to 31/12/2000	15% p.a.
1/1/2001 to 31/12/2002	10% p.a.
1/1/2003 to 31/03/2009	12% or Prime Lending Rate whichever is higher

However, interest for the period from 1/1/2001 to 31/12/2001 shall be funded and the same will be repaid in six half yearly instalments in 2003-04 to 2005-06. The amount so funded shall carry interest @ 10% p.a. payable quarterly

## (1) Foreign Currency Loan (FCL)

Interest rate as per the existing terms of the loan

## (1) Working Capital Demand Loan

Interest will be payable at the rates specified in respective Banks sanction

## (1) Rupee Term Loan

Interest will be payable at the rates specified in respective Banks sanction

WELSPUN INKHA LIMITED  
 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 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700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 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**Preference Share Capital of WIL as on 31.03.2000**

SR NO	Institution	Amount	Rate of Dividend	Allocated with effect from the Appointed Date to		
				WCYL	WIL	Amount
i	IFCI	1000.00	13.00%	300.00	700.00	
ii	UTI	4000.00	13.00%	1200.00	2800.00	
iii	UTI	500.00	12.50%	150.00	350.00	
iv	ONCI	100.00	13.00%	33.00	70.00	
v	PROMOTERS	500.00	0.00%	500.00	0.00	
Total (i to v)		6100.00		2180.00	3920.00	

**SCHEDULE - V**

**WELSPUN COTTON YARN LIMITED**  
**Redemption of preference shares**

SR NO	Institution	Amount	Term	Redemption	Redemption (%)									
					2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
i	IFCI	300.00	2+3yrs	yearly	0.00%	0.00%	33.33%	33.33%	33.33%	0.00%	0.00%	0.00%	0.00%	0.00%
ii	UTI	1200.00	5+3yrs	yearly	0.00%	50.00%	0.00%	0.00%	0.00%	16.66%	16.67%	16.67%	0.00%	0.00%
iii	UTI	150.00	4+3yrs	yearly	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
iv	ONCI	30.00	1+2yrs	yearly	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
v	PROMOTERS	500.00	9+1 yrs		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total (i to v)		2180.00												

\* Promoter's Redeemable Preference Shares shall be redeemed after the payment of all Term Loans/Debentures outstanding as on the Appointed Date

--50 % redemption in the year 2001-02, if opted by the holder thereof, shall be by way of issue of equity shares on 30.09.2001

---100 % redemption in the year 2001-02, if opted by the holder thereof, shall be by way of issue of equity shares on 30.09.2001

**WELSPUN INDIA LIMITED**

**Redemption of preference shares**

SR NO	Institution	Preference Shares	Term	Redemption	Redemption (%)							
					2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
i	IFCI	700.00	2+3yrs	yearly	0.00%	0.00%	33.33%	33.33%	33.34%	0.00%	0.00%	0.00%
ii	UTI	2800.00	5+3yrs	yearly	0.00%	50.00%	0.00%	0.00%	0.00%	16.66%	16.67%	16.67%
iii	UTI	350.00	4+3yrs	yearly	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
iv	ONCI	70.00	1+2yrs	yearly	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total (i to iv)		3920.00										

--50 % redemption in the year 2001-02, if opted by the holder thereof, shall be by way of issue of equity shares on 30.09.2001

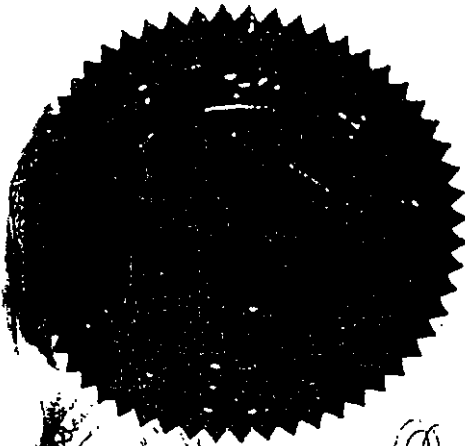
---100 % redemption in the year 2001-02, if opted by the holder thereof, shall be by way of issue of equity shares on 30.09.2001

WITNESS D.M. DHARMADHIKARI, ESQUIRE, THE CHIEF JUSTICE at  
Ahmedabad aforesaid this \_\_\_\_ day of March, Two Thousand and One.

BY THE ORDER OF THE COURT

JOINT REGISTRAR  
This 21 day of March, 2001.

SEALER.  
DEPUTY REGISTRAR  
This 21 day of March, 2001.



ORDER SANCTIONING THE SCHEME OF  
COMPROMISE AND/OR ARRANGEMENT  
DRAWN ON THE APPLICATION OF MESSRS  
SINGHI & CO., ADVOCATES FOR THE  
PETITIONER HAVING THEIR OFFICE AT 7TH  
FLOOR, PREMCHAND HOUSE ANNEXIE,  
ASHRAM ROAD, AHMEDABAD - 380 009.

*[Handwritten signature]*  
29/3/01

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY PETITION NO. 27 OF 2005

CONNECTED WITH

COMPANY APPLICATION NO. 458 OF 2004

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

AND

Section Officer  
Deputy Registrar  
11/1/2005

In the matter of Section 391 & 394  
of the Companies Act I of 1956;

AND

In the matter of Scheme of  
Amalgamation between Glosame  
Cotspin Industries Limited and  
Welspun India Limited, and their  
respective members and creditors.

Welspun India Limited, an existing  
Company incorporated and registered  
Under the Companies Act, 1956 and having  
Its Registered Office at Survey  
No. 76, Village & P.O. Morai, Vapi,  
Dist. Valsad, Gujarat - 396191.

...Petitioner Company/ Petitioner

Before the Hon'ble Mr. Justice K.A. Puj

Dated 15<sup>th</sup> April, 05

#### ORDER ON PETITION

The above petition coming on for hearing on 15<sup>th</sup> April, 2005 and upon reading the said petition, read with the order dated 29<sup>th</sup> December 2004 passed in the Company Application No. 458 of 2004 whereby the Petitioner Company was ordered to convene separate meetings of the equity shareholders, the preference shareholder, the secured creditors and unsecured and trade creditors of the Petitioner Company for the purpose of considering, and if thought fit, approving, with or without modification(s), the



Amalgamation proposed to be made between Glofame Cotspin Industries Limited and the Petitioner Company and their respective members and creditors, annexed to the affidavit in support of Devendra K. Patil, Authorised Signatory of the Petitioner Company dated the 23<sup>rd</sup> day of December 2004, the English issue dated 9<sup>th</sup> day of January 2005 of Western Times and the Gujarati issue dated 9<sup>th</sup> day of January 2005 of Western Times, each containing the advertisement of the said notice convening the said meetings, the affidavit of Devendra K. Patil dated the 15<sup>th</sup> day of January 2005 showing the publication and dispatch of the notices convening the said meetings, the proposed Amalgamation as modified at the meetings of the equity shareholders, the preference shareholder, the secured creditors and the unsecured and trade creditors of the Petitioner Company and annexed to the report of the Chairman of the said meetings dated 2<sup>nd</sup> day of February 2005 as to the result of the said meetings, the affidavit of Devendra K. Patil, dated the 4<sup>th</sup> day of February 2005 seeking certain modifications to the proposed Amalgamation and upon hearing Shri Saurabh Sorparkar and Shri Devang Nanavati, advocates for the Petitioner Company and Shri J.M.Malkan, Assistant Solicitor General appearing for the Central Government and it appearing from the report that the proposed compromise or arrangement has been approved unanimously by all the Equity Shareholders, Secured Creditors and Unsecured Creditors of the company.

This Court doth hereby sanction the Scheme of Amalgamation between Glofame Cotspin Industries Limited (the "Transferor Company") and Welspun India Limited (the "Transferee Company"), and their respective members and creditors, as modified by the Affidavit of Devendra K. Patil dated 4<sup>th</sup> day of February 2005, annexed at Schedule A hereto ("Scheme of Amalgamation") and doth hereby declare the same to be binding with effect from the first day of April in the year two thousand and four (the "Appointed Date") on the Transferor Company and the Transferee Company and their respective members and creditors.

And this Court doth further order:--

That the parties to the Scheme of Amalgamation or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the Scheme of Amalgamation, and

This Court further orders that the cost of the petition to be paid to the learned Assistant Solicitor General is quantified at Rs.3,500/- and the same may be paid to Shri J.M. Malkan,

That the Petitioner Company do file with the Registrar of Companies a certified copy of this order within 30 days from this date.

*AMALGAMATION*  
**SCHEME OF AMALGAMATION**

**BETWEEN**

**GLOFAME COTSPIN INDUSTRIES LIMITED**

**AND**

**WELSPUN INDIA LIMITED**

**AND**

**THEIR RESPECTIVE MEMBERS AND CREDITORS**

**(Under Sections 391 and 394 of the Companies Act, 1956)**

Part 1 – General

**1. WELSPUN INDIA LIMITED**

Welspun India Limited, a company incorporated under the provisions of the Companies Act, 1956, (Act I of 1956) and having its registered office at Survey No. 76, Village & P.O. Morai, Vapi, Dist. Valsad, Gujarat-396 191 (hereinafter referred to as "WIL") is engaged in the business of manufacture of Terry Towels and Home Textile Products..



**2. GLOFAME COTSPIN INDUSTRIES LIMITED**

Glofame Cotspin Industries Limited is a company incorporated under the provisions of the Companies Act, 1956, (Act I of 1956) and having its registered office at Survey No. 76, Village & P.O. Morai, Vapi, Dist. Valsad, Gujarat-396 191 (hereinafter referred to as "GCIL"). GCIL is engaged in the business of spinning of Cotton Yarn.

**3. THE SCHEME**

- (A) This composite Scheme of Amalgamation (hereinafter referred to as the 'Scheme') provides for the amalgamation of GCIL with WIL and the consequent issue of equity shares of WIL to the

*1/1*

shareholders of GCIL in accordance with the relevant provisions of the Companies Act, 1956.

(B) The Scheme is divided into the following parts:

- (a) Part 1 deals with the introductions and definitions
- (b) Part 2 deals with the amalgamation of GCIL with WIL and the consequent issue of equity shares of WIL to the shareholders of GCIL; and
- (c) Part 3 deals with the general terms and conditions that will be applicable to Part 2 of the Scheme.

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

#### 4. DEFINITIONS

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

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

"The Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form with or without any modification(s) pursuant to clause 17 of this Scheme.

4.3 "GCIL" means Glofame Cotspin Industries Limited a company incorporated under the Act and having its registered office at Survey No. 76, Village & P.O. Morai, Vapi, Dist. Valsad, Gujarat-396 191.

4.4 "WIL" means Weispun India Limited, a company incorporated under the Act and having its registered office at Survey No. 76, Village & P.O. Morai, Vapi, Dist. Valsad, Gujarat-396 191.

4.5 "Appointed Date" means the 1<sup>st</sup> day of April, 2004 or such other date as may be fixed or approved by the High Court of Gujarat.

4.6 "Effective Date" means the last of the following dates, namely (a) date on which the certified copies of the Orders of the Gujarat High Court sanctioning the Scheme are filed with the Registrar of



11/-

Companies, Gujarat and (b) date on which the last of all such consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary thereto have been obtained or passed.

- 4.7 "Record Date" means the date to be fixed by the Board of Directors or a committee thereof of GCIL and WIL for the purpose of determining the members of GCIL to whom equity shares of WIL will be allotted pursuant to this Scheme.

## 5. SHARE CAPITAL

### 5.1 GCIL

The share capital of GCIL as on March 31, 2004 is as under:

	Amount in Rs.
<b>Authorised:</b>	
13,100,000 Equity Shares of Rs. 10/- each	131,000,000
12,000,000 Preference Shares of Rs. 10/- each	120,000,000
3,115,000 Preference Shares of Rs. 100/- each	311,500,000
	<b>562,500,000</b>
<b>Issued, Subscribed and Paid-up:</b>	
13,055,676 Equity Shares of Rs. 10/- each	130,556,760
30,000 13.0% Redeemable Cumulative Preference Shares of Rs.100/- each	3,000,000
30,000 13.5% Redeemable Cumulative Preference Shares of Rs.100/- each	3,000,000
300,000 12.5% Redeemable Cumulative Preference Shares of Rs.100/- each	30,000,000
2,500,000 0% Redeemable Cumulative Preference Shares of Rs.100/- each	250,000,000
150,000 12.5% Redeemable Cumulative Preference Shares of Rs.100/- each	15,000,000
12,000,000 13% Redeemable Cumulative Preference Shares of Rs.10/- each	120,000,000
45,000 10.0% Redeemable Cumulative Preference Shares of Rs.100/- each	4,500,000
	<b>556,056,760</b>

Subsequent to the aforementioned balance sheet date of 31 March, 2004, there has been no change in the issued, subscribed and paid up capital of GCIL.

### 5.2 WIL

The share capital of WIL as on March 31, 2004 is as under:

	Amount in Rs.
<b>Authorised:</b>	
1,002,000 Redeemable Cumulative Preference Shares of Rs.100/- each	100,200,000
14,000,000 Redeemable Cumulative Preference Shares of Rs.10/- each	140,000,000
91,980,000 Equity Shares of Rs. 10/-each	919,800,000

7/11

	<b>1,160,000,000</b>
<b>Issued, Subscribed and Paid-up:</b>	
46,022,303 Equity Shares of Rs. 10/- each	460,223,030
233,380 13% Redeemable Cumulative Preference Shares of Rs.100/- each	23,338,000
14,000,000 13% Optionally Convertible Cumulative Preference Shares of Rs.10/- each	140,000,000
	<b>623,561,030</b>

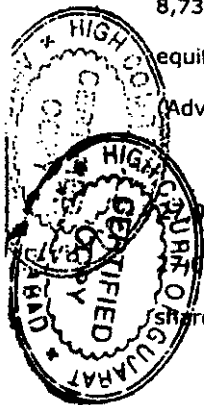
Subsequent to the aforementioned balance sheet date of March 31, 2004, WIL has issued equity share capital and warrants carrying option to the holders thereof to opt for equity shares as under:

78,57,974 equity shares of Rs.10/- each at a premium of Rs.75.90/-per equity share fully paid up.

25,98,930 equity shares of Rs.10/- each at a premium of Rs.85/- per equity share fully paid up.

8,73,108 warrants carrying option to the holders thereof to opt for 8,73,108 equity shares of Rs.10/- each at a premium of Rs.75.90/- per equity share (Advance paid Rs. 75,00,000) on or before 30/06/2005.

13,004 warrants carrying option to the holders thereof to opt for 13,004 equity shares of Rs.10/- each at a premium of Rs.85/- per equity share (advance paid Rs.257 lacs) on or before 30/06/2005.



Additionally, subsequent to the aforementioned balance sheet date of March 31, 2004, the Board of Directors of WIL have at their meeting of 28<sup>th</sup> January 2005 approved an Employee Stock Option Scheme ("ESOS") pursuant to which, WIL may issue/ grant employee stock options (-entitling the holder thereof to subscribe to/ purchase equity shares of WIL-) to eligible directors, officers and employees of WIL, in terms of the ESOS. Under the ESOS, WIL may issue/ grant in the aggregate, employee stock options representing up to 5% of the Issued share capital of WIL. Upon any exercise (in accordance with the terms of the ESOS), of employee stock options vested in an eligible

76

director, officer or employee, WIL will be obliged to issue to the eligible director, officer or employee concerned, equity shares in WIL. The aggregate equity shares that WIL may be obliged to issue pursuant to the exercise of all of the employee stock options granted/ issued pursuant to the ESOS will not exceed 5% of the issued share capital of WIL at the relevant time. The ESOS requires the approval of the shareholders of WIL, and accordingly the implementation and effectiveness of the ESOS is subject to such shareholder approval.

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## PART 2 – AMALGAMATION OF GCIL INTO WIL

### 6. TRANSFER OF UNDERTAKING

6.1 With effect from the Appointed Date and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the undertaking and the entire businesses and all the movable and immovable properties, real or personal, corporeal or incorporeal, including fixed assets, capital assets, capital work-in-progress, current assets, investments of all kinds, lease and hire purchase contracts, lending contracts, benefits of any security Amalgamations, reversions, powers, authorities, allotments, approvals, consents, licenses including engagements, Amalgamations, rights, title, interest, quotas, benefits and advantages of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession and/ or in the control of or vested in or granted in favour of and enjoyed by GCIL including all patents, trademarks, copyrights, trade names and other intellectual property rights of any nature whatsoever, whether registered or unregistered and licenses in respect thereof, privileges, liberties, easements, advantages, exemptions, benefits, leases, leasehold rights, tenancy rights, ownership flats, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, benefit of all agreements, subsidies, grants, tax credits, income tax, sales tax, turnover tax, excise, unavailed sales tax incentives from the Government of Gujarat, customs and all other interests arising of GCIL and any accretions and additions thereto after the Appointed Date (hereinafter collectively referred to as the 'the said assets') shall be transferred to and vested in and/ or deemed to be transferred to and vested in WIL, without any further act or deed or instrument, pursuant to the provisions of Section 394 of the said Act for all the



71

estate, assets, right, title and interest of GCIL herein, so as to become as and from the Appointed Date, the estate, assets, rights, title and interests of WIL.

6.2 The Scheme shall be subject to existing charges/ hypothecation/ mortgage (if any as may be subsisting) created in favour of any Banks and Financial Institutions, over or in respect of the said assets or any part thereof. Any reference in any security documents or Amalgamations, to which GCIL is a party, to security, mortgage and/ or charge created over the said assets or part thereof, as security for any loans, advances or other financial assistance both availed and to be availed, up to any limit, shall extend and be deemed to extend, to the assets of WIL and the said assets.

6.3 It is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual or constructive delivery and/ or by endorsement and delivery, the same shall be so transferred by GCIL and shall become the property of WIL in pursuance of the provisions of Section 391 and 394 of the said Act, as an integral part of the undertaking of WIL, such transfer being deemed to have taken place at the location of the Registered Office of WIL, i.e., in the State of Gujarat.



In respect of the said assets other than those referred to in sub-clause 6.3 above, the same shall as more particularly provided in sub-clause 6.1 hereof, without any further act, instrument or deed, be transferred to and vested in and/ or deemed to be transferred and vested in WIL on the Appointed Date, pursuant to the provisions of Section 391 and 394 of the said Act. The vesting of all such assets, shall by virtue of the provisions of this Scheme, the effect of the provisions of this Scheme, and the effect of the provisions of Section 391 and 394 of the said Act, be deemed to have taken place at the location of the Registered Office of WIL, i.e., in the State of Gujarat.

116



6.5 With effect from the Appointed Date, all debts, liabilities, debentures, contingent liabilities, duties and obligations of every kind, nature and description of GCIL shall also, under the provisions of Sections 391 and 394 of the Act, without any further act or deed, be transferred to and/or deemed to be transferred to WIL so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of WIL 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 Amalgamation 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.

6.6 All the loans, advances or other financial assistance sanctioned to GCIL by any Banks or Financial Institutions prior to the Appointed Date, which are partly drawn/ utilised shall be deemed to be the loans, advances or other financial assistance sanctioned to WIL and the said loans, advances or other financial assistance shall be drawn/ utilised either partly or fully by GCIL from the Appointed Date till the Effective Date and all the loans, advances and other financial assistance so drawn by GCIL (within the over all limits sanctioned by the said Banks and Financial Institutions) and outstanding as on the Effective Date shall be treated as loans, advances and other financial assistance made available to WIL under the relevant loan agreement and shall become the obligation of WIL without any further act, or deed on the part of WIL.

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

11

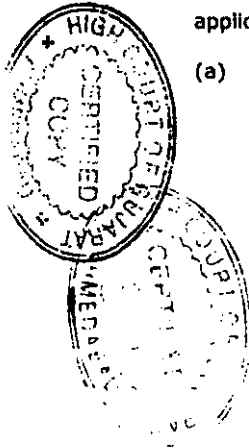


6.8 Upon the Scheme finally coming into effect and in consideration of the transfer of all the said assets and liabilities of GCIL to WIL in terms of the Scheme, the preference shares held by WIL in GCIL shall stand cancelled;

6.9 Upon the Scheme coming into effect, the authorised share capital of the WIL amounting to Rs. 1,160,000,000/- shall, without any further application or deed stand divided as follows:

- (a) 79,000,000 equity shares of Rs. 10/- each,
- (b) 11,000,000 redeemable cumulative preference shares of Rs. 100/- each; and
- (c) 26,000,000 redeemable cumulative preference shares of Rs. 10/- each.

✓ 6.10 Upon the Scheme finally coming into effect the preference shares of GCIL shall stand redeemed and WIL shall, without any further application or deed:

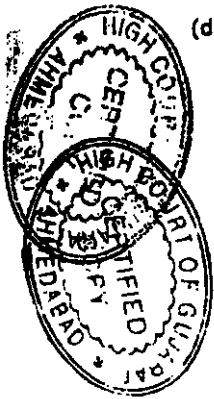


- (a) issue and allot fully paid up 13% Redeemable Cumulative Preference Shares of Rs. 100/- each in WIL to the existing preference shareholders of GCIL holding 30,000 13% Redeemable Cumulative Preference Shares of Rs. 100/- each in GCIL ("**GCIL 13% Preference Shares (A) of Rs. 100/- each**"). The 13% Preference Shares so issued and allotted by WIL, shall be redeemable on the date(s) and in the manner upon which the GCIL 13% Preference Shares (A) of Rs. 100/- each would have been redeemable had the amalgamation contemplated by this Scheme not occurred..
- (b) issue and allot fully paid up 13.5% Redeemable Cumulative Preference Shares of Rs. 100/- each in WIL to the existing preference shareholders of GCIL holding 13.5% Redeemable Cumulative Preference Shares of Rs. 100/- each in GCIL ("**GCIL 13.5% Preference Shares of Rs. 100/- each**"). The 13.5% Preference Shares so issued and allotted by WIL, shall be redeemable on the date(s) and in the manner upon which the

7/11

GCIL 13.5% Preference Shares of Rs. 100/- each would have been redeemable had the amalgamation contemplated by this Scheme not occurred.

- (c) issue and allot fully paid up 12.5% Redeemable Cumulative Preference Shares of Rs. 100/- each in WIL to the existing preference shareholders of GCIL holding 12.5% Redeemable Cumulative Preference Shares of Rs. 100/- each in GCIL ("**GCIL 12.5% Preference Shares of Rs. 100/- each**"). The 12.5% Preference Shares so issued and allotted by WIL, shall be redeemable on the date(s) and in the manner upon which the GCIL 12.5% Preference Shares of Rs. 100/- each would have been redeemable had the amalgamation contemplated by this Scheme not occurred.



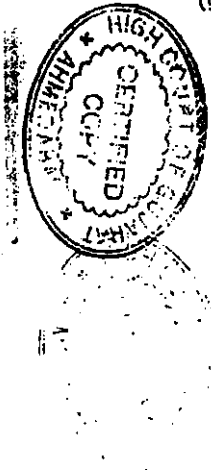
- (d) Issue and allot fully paid up 0% Redeemable Cumulative Preference Shares of Rs. 100/- each in WIL to the existing preference shareholders of GCIL (other than WIL) holding 0% Redeemable Cumulative Preference Shares of Rs. 100/- each in GCIL ("**GCIL 0% Preference Shares of Rs. 100/- each**"). The 0% Preference Shares so issued and allotted by WIL, shall be redeemable on the date(s) and in the manner upon which the GCIL 0% Preference Shares of Rs. 100/- each would have been redeemable had the amalgamation contemplated by this Scheme not occurred.

- (e) issue and allot fully paid up 12.5% Redeemable Cumulative Preference Shares of Rs. 100/- each in WIL to the existing preference shareholders of GCIL holding 1,50,000 12.5% Redeemable Cumulative Preference Shares of Rs. 100/- each in GCIL ("**GCIL 12.5% Preference Shares (B) of Rs. 10/- each**"). The 12.5% Preference Shares so issued and allotted by WIL, shall be redeemable on the date(s) and in the manner upon which the GCIL 12.5% Preference Shares (B) of Rs. 10/-

14/

each would have been redeemable had the amalgamation contemplated by this Scheme not occurred.

- (f) Issue and allot fully paid up 13% Redeemable Cumulative Preference Shares of Rs. 10/- each in WIL to the existing preference shareholders of GCIL holding 13% Redeemable Cumulative Preference Shares of Rs. 10/- each in GCIL ("**GCIL 13% Preference Shares of Rs. 10/- each**"). The 13% Preference Shares so issued and allotted by WIL, shall be redeemable on the date(s) and in the manner upon which the GCIL 13% Preference Shares of Rs. 10/- each would have been redeemable had the amalgamation contemplated by this Scheme not occurred.



- (g) Issue and allot fully paid up 10% Redeemable Cumulative Preference Shares of Rs. 100/- each in WIL to the existing preference shareholders of GCIL holding 10% Redeemable Cumulative Preference Shares of Rs. 100/- each in GCIL ("**GCIL 10% Preference Shares of Rs. 100/- each**"). The 10% Preference Shares so issued and allotted by WIL, shall be redeemable on the date(s) and in the manner upon which the GCIL 10% Preference Shares of Rs. 100/- each would have been redeemable had the amalgamation contemplated by this Scheme not occurred.

✓ 6.10 WIL, may at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors of GCIL or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. WIL shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of GCIL and implement or carry out all such formalities or compliance referred to above on the part of GCIL to be carried out or performed.

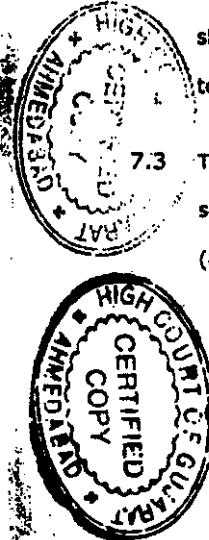
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## 7. ISSUE OF SHARES BY WIL

7.1 Upon the Scheme finally coming into effect, WIL shall, without any further application or deed, issue and allot to every member of GCIL holding fully paid up equity shares in GCIL and whose names appear in the register of members of GCIL on the Record Date, 10 (Ten) equity shares of the face value of Rs. 10/- each of WIL credited as fully paid-up, in respect of every 33 (Thirty Three) equity shares of the face value of Rs. 10/- each fully paid-up held by such member in GCIL.

7.2 For the purpose of allotment and issue of equity shares as aforesaid, an entitlement to a fraction of less than 1/2 of an equity share of WIL shall be ignored and an entitlement to a fraction of more than or equal to 1/2 of an equity share of WIL shall be treated as one equity share.

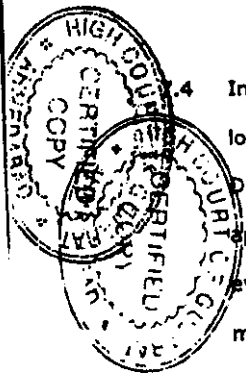
7.3 The equity shares so issued and allotted by WIL to members of GCIL shall have rights attached thereto as under:

- 
- (a) The equity shares to be issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of WIL.
  - (b) WIL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of equity shares to the members of GCIL under the Scheme.
  - (c) The equity shares to be issued by WIL in respect of any equity shares of GCIL which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by WIL.
  - (d) The equity shares issued by WIL as per this clause 7 shall be subject to the provisions of the relevant listing agreements, payment of appropriate fees and other applicable regulations, be listed on the National Stock Exchange of India Limited, the

Stock Exchange, Mumbai, \*Delhi Stock Exchange and  
\*Ahmedabad Stock Exchange.

\* Unless de-listed pursuant to the application(s) already made to such exchanges for de-listing, or otherwise found necessary.

- (e) All those shareholders who hold equity shares of GCIL in certificate form will be issued equity shares of WIL in the certificate form unless otherwise required by law or otherwise communicated in writing by the shareholders to WIL on or before such date as may be determined by the Board of Directors of WIL or a committee thereof.
- (f) The equity shares to be issued and allotted by WIL shall rank *pari passu* in all respects from the Appointed Date in terms of this Scheme, with the existing equity shares of WIL, with all rights thereto, and shall be entitled to full dividend, if any, which may be declared by WIL after the Effective Date of the Scheme.



- 4 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of GCIL, the Board of Directors or any committee thereof, of WIL shall be empowered in appropriate circumstances to be determined at their sole discretion even subsequent to the Record Date or the Effective Date as the case may be, to effectuate such transfer in WIL as if such changes in the registered holder were operative from the Record Date.

- 7.5 In the event of WIL issuing any shares or any bonds or any debentures (non-convertible or partly or fully convertible) or any shares by way of bonus or rights to its shareholders on or after the date of acceptance of the Scheme by the respective Board of Directors of GCIL and WIL, and before issue of equity shares under clause 7 hereof, WIL shall reserve for allotment to the members of GCIL, the number of such shares, bonds or debentures to which the members of WIL would be entitled in terms of such issue, if this Scheme had become effective immediately prior to such issue. The shares, bonds or debentures so

24

reserved as aforesaid shall be allotted (in the case of bonus shares) or offered (in case of rights issue) to the members of GCIL only if this Scheme becomes effective as specified herein and on the terms and conditions as those governing such allotment or issue to the members of WIL.

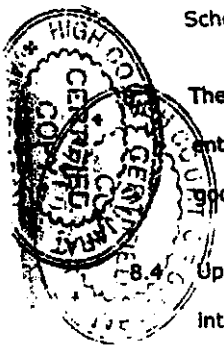
## **8. ACCOUNTING TREATMENT IN THE BOOKS OF WIL**

8.1 WIL shall, upon the amalgamation contemplated in this Scheme becoming operative, record the said assets and liabilities of GCIL vested in it pursuant to this Scheme, at their respective book values (including the amount of revaluation, if any).

8.2 WIL shall credit to its share capital account the aggregate face value of the equity shares issued by it to the members of GCIL pursuant to this Scheme.

The excess or deficit, if any, remaining after recording the aforesaid entries shall be credited by WIL to general reserve or debited to goodwill, as the case may be.

8.4 Upon this Scheme coming into effect, to the extent that there are inter-corporate balances, loans or other liabilities/ obligations due between or amongst WIL and GCIL, such liabilities/ obligations shall come to an end and corresponding effect shall be given to the books of account and records of WIL for the reduction of the said liabilities/ obligations, as the case may be. In so far as any securities, debentures or notes issued by GCIL and held by WIL, and vice versa, are concerned, the same shall, unless sold or transferred by GCIL or WIL, as the case may be, at any time prior to the Effective Date, stand cancelled as on the Effective Date and shall be of no effect and GCIL or WIL, as the case may be, shall have no further obligation outstanding in that behalf.



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8.5 It is further provided that upon the Scheme coming into effect, the reserves and surplus of GCIL whether capital or revenue, shall be recorded in the books of WIL at their existing carrying amounts and in the same form as they appear in the books of GCIL at the Appointed Date, except in the case of Surplus in Profit & Loss account, the surplus amount shall be reduced for any Debit Balance under the head Miscellaneous Expenditure not written off or adjusted.

## 9. BUSINESS AND PROPERTY IN TRUST FOR WIL

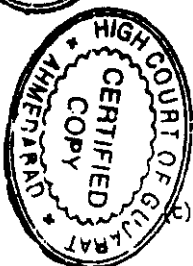
9.1 With effect from the Appointed Date and up to and including the Effective Date:

(a) GCIL shall (i) carry on and be deemed to have carried on its business and activities in trust for WIL, (ii) shall stand possessed of all of the said assets in trust for WIL, and (iii) shall account for the same to WIL.

(b) Any income or profit accruing or arising to GCIL and all costs, charges, expenses and losses arising or incurred by GCIL shall for all purposes be treated as and shall be deemed to be the income, profits, costs, charges, expenses and losses, as the case may be, of WIL.

GCIL shall not utilize its profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of any period falling on and after the Appointed Date, without the prior written consent of WIL.

9.2 WIL shall be entitled, pending the sanction of the Scheme, to apply to the Central/ State Government(s) and all other agencies, departments and authorities concerned for such consents, approvals and sanctions (if any) which WIL may require under any law for the time being in force, to carry on the business of GCIL.



~~WIL~~ *NP*

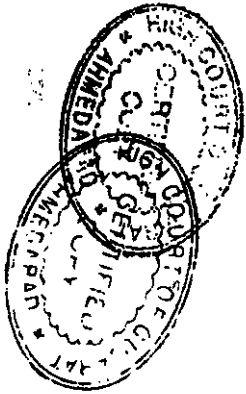


## 10 CONDUCT OF BUSINESS

10.1 As and from the date of acceptance of this Scheme by the Board of Directors of GCIL and the Board of Directors of WIL and up to and including the Effective Date:

- (a) GCIL shall carry on its business with reasonable diligence and in the same manner as it had been doing hitherto fore, and GCIL shall not alter or expand its business except with the written concurrence of WIL.
- (b) GCIL shall not, without the written concurrence of the Board of Directors of WIL, alienate, charge, encumber or otherwise deal with or dispose of any of the said assets or any part(s) thereof except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by GCIL prior to the date of acceptance of the Scheme by the respective Boards of Directors of GCIL and WIL. Provided however that GCIL shall be entitled, in the ordinary course of business in relation to its borrowings required in connection with its business and operations, to borrow in the form of loans and consent of WIL shall not be required in this behalf.
- (c) GCIL shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees.
- (d) GCIL shall continue to comply with the provisions of the Act including those relating to preparation, presentation, circulation and filing of accounts as and when they become due for compliance.
- (e) GCIL shall not make any modification to its capital structure either by an increase (by issue of right shares, bonus shares,

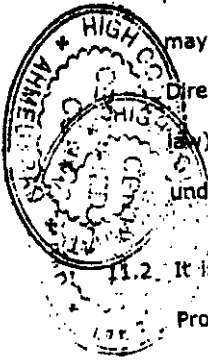
24



convertible debentures or otherwise), decrease, reclassification, sub-division or re-organisation, or in any other manner, whatsoever, except by mutual consent of the Board of Directors of GCIL and WIL.

## 11. STAFF, WORKMEN & EMPLOYEES

11.1 On the Scheme becoming operative, all staff, workmen and employees of GCIL in service on the Effective Date shall become and be deemed to have become, staff, workmen and employees of WIL without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with WIL shall not be less favourable than those applicable to them with reference to GCIL immediately prior to the Effective Date. The position, rank and designation of the staff, workmen and employees may however (subject to applicable law), be decided by the Board of Directors of WIL, which shall also have the right (subject to applicable law), at its option to transfer any employees of to any unit or undertaking of WIL as may be deemed necessary.



11.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other special scheme(s), fund(s) and trust(s) created or existing for the benefit of the staff, workmen and employees of GCIL shall become the funds/ trusts of WIL and WIL shall stand substituted for GCIL for all purposes whatsoever in relation to the administration or operation of such funds/ trusts and in relation to the obligation to make contributions to such funds/ trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds (if any) and other regulations governing such funds/ trusts, to the end and intent that all rights, duties, powers and obligations of GCIL in relation to such funds/ trusts shall become those of WIL. It is clarified that the services of the staff, workmen and employees of GCIL will be treated as having been continuing for the purpose of such funds/trusts

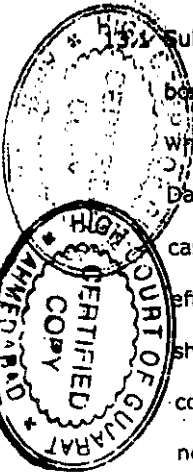
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## 12. LEGAL PROCEEDINGS

12.1 All legal or other proceedings of whatsoever nature by or against GCIL pending and/or arising on or before the Appointed Date shall as and from the Effective Date be continued and enforced by or against WIL in the manner and to the same extent as would or might have been continued and enforced by or against GCIL.

12.2 WIL undertakes to have all legal or other proceedings initiated by or against GCIL referred to in sub-clause 12.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against WIL to the exclusion of GCIL.

## 13. CONTRACTS, DEEDS, ETC.



Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which GCIL is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of WIL, as the case may be, and may be enforced by or against WIL as fully and effectually as if, instead of GCIL, WIL had been a party thereto. WIL shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any Amalgamations, confirmations or novations (to which GCIL will, if necessary, also be a party); in order to give formal effect to the provisions of this clause 13, if so required or necessary.

13.2 WIL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of GCIL and to implement or carry out all formalities required on the part of GCIL to give effect to the provisions of the Scheme. WIL shall also be entitled to secure

approvals of such authorities as may be necessary whenever any approvals are necessary for the transfer of the said assets and

liabilities or any part(s) thereof from GCIL to WIL pursuant to the Scheme.

**13.3** For the removal of doubts, it is expressly made clear that the dissolution of GCIL without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument to which GCIL is a party and shall not affect any right, privilege, obligations or liability acquired or deemed to have been acquired and all such reference in such agreements, contracts and instruments to GCIL shall be construed as reference only to WIL with effect from the Effective Date.

#### **14. SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the said assets and liabilities under clause 6 above, the continuance of legal proceedings under clause 12 above, and the continuance of contracts under clause 13 above by or against WIL after the Appointed Date shall not affect any transaction, contract or proceedings already concluded by GCIL in the ordinary course of business on or after the Appointed Date, to the end and intent that WIL accepts and adopts all acts, deeds and things done and executed lawfully by GCIL in respect thereto as done and executed on behalf of itself.

#### **15. WINDING UP**

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

*Handwritten signature*

### **PART 3- Other Terms and Conditions**

#### **16. APPLICATION TO HIGH COURT**

GCIL and WIL shall with all reasonable dispatch make applications under Sections 391 and 394 of the Act and other applicable provisions of the Act to the Gujarat High Court for seeking approval of the Scheme.

#### **17. MODIFICATION OR AMENDMENTS TO THE SCHEME**

GCIL and WIL by their respective Board of Directors or any committee constituted by them may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Gujarat High 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. GCIL and WIL by their respective Boards of Directors or any committee constituted by them be and are hereby authorized 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 authority or otherwise howsoever arising out of or by virtue of the Scheme or Implementation thereof and/or any matter concerned or connected therewith.

#### **18. CONDITIONALITY OF THE SCHEME**

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

- 18.1 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.
- 18.2 The approval by the requisite majority of shareholders and creditors of GCIL and WIL, as the case may be, as required under Section 391 of the Act.

26

18.3 All other sanctions and orders as are legally necessary or required in respect of the Scheme being obtained, including without limitation the sanction of the Scheme by the Hon'ble High Court of Gujarat under Section 391 and 394 of the Act and other applicable provisions of the Act, rules and regulations, as the case may be.

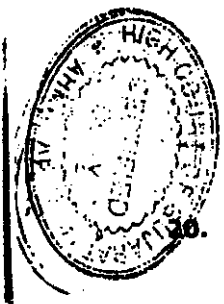
#### **19. EFFECT OF NON-RECEIPT OF APPROVALS**

In case the Scheme is not sanctioned by the Gujarat High Court, or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme is not obtained or complied with or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and GCIL and WIL shall bear the entire cost, charges and expenses in connection with the Scheme equally unless otherwise mutually agreed.

#### **20. COSTS, CHARGES & EXPENSES**

Subject to clause 19 above, all costs, charges, taxes including duties, levies and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by WIL.

140



WITNESS BHAVANI SINGH, ESQUIRE THE CHIEF JUSTICE at Ahmedabad  
aforesaid this 15<sup>th</sup> day of April, 2005.

BY THE ORDER OF THE COURT

*Sd/- A. K. V. Padhiya*

REGISTRAR (JUDICIAL)

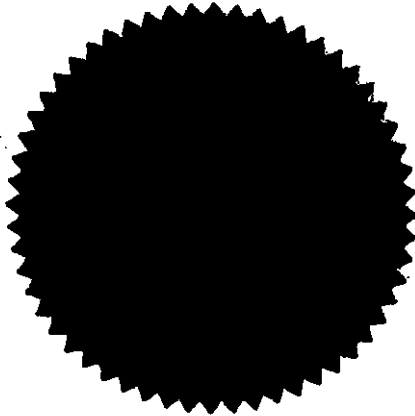
THIS 17 DAY OF May, 2005

SEALER

THIS 17 DAY OF May, 2005

ORDER DRAWN BY

*SN*  
M/s. Nanavati & Nanavati, Advocates  
7<sup>th</sup> Floor, "Corporate House",  
Judges Bungalow Road,  
Sarkhej - Gandhinagar Highway,  
Ahmedabad - 380 054.



*Sy. Patel*

*AB*  
ASSISTANT REGISTRAR  
18-05-05 DAY 02

15/11/09  
16/11/09  
38-00 38-00

Received by 12/6/09

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3/6/12/2009

- 1 -

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY PETITION NO. 30 OF 2009

CONNECTED WITH

COMPANY APPLICATION NO. 603 OF 2008

Copy applied on 11/5/09  
Copy ready on 2-6-09  
Copy Delivered on  
Sent on  
Regd. by Posts  
Notified on 9/6/09  
By S. O.

In the matter of Sections 391 to 394 read with  
Sections 78 and 100 to 104 of the Companies  
Act, 1956;

And

In the matter of

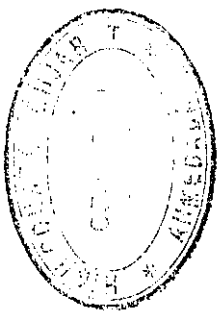
Welspun India Limited

A Company incorporated under the Companies  
Act, 1956 and having its registered office at  
Welspun City, Village Versamedi, Taluka Anjar,  
District Kutch, 370110 in the state of Gujarat.

And

In the matter of

Composite Scheme of Arrangement in the nature  
of Demerger and transfer of Marketing Division  
of Welspun India Limited to Welspun Global  
Brands Limited and Investment & Treasury  
Division to Welspun Investments Limited and  
Restructure of Capital of these companies.



Welspun India Limited.

A Company incorporated under the Companies

Act, 1956 and having its registered office at

Welspun City, Village Versamedi, Taluka Anjar,

District Kutch, 370110 in the state of Gujarat. ....PETITIONER

BEFORE HONOURABLE Mr. JUSTICE K. A. PUJ

Date: 8<sup>th</sup> May 2009

Order On Petition

The above petition coming on for hearing on 8<sup>th</sup> May 2009, upon  
reading the said petition, the order dated 28<sup>th</sup> November 2008 passed in  
the Company Application No. 603 of 2008 whereby the said Company  
was directed to convene special meetings of the Board of Directors



-2-

Secured Creditors and Unsecured Creditors of the Petitioner Company for the purpose of considering, and if thought fit, approving, with or without modifications, the arrangement proposed to be made between the said Company and its members and creditors by the Scheme of Arrangement in the nature of a merger and transfer of Marketing Division of Welspun India Limited to Welspun Global Brands Limited and its Investment & Treasury Division to Welspun Investments Limited and Restructure of Capital of all these companies, and annexed to the affidavit of Mr. Devendra Patil filed on 26<sup>th</sup> November 2008, and The Indian Express and Sandesh, both Saurashtra & Kutch editions dated 16<sup>th</sup> December 2008 each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dated 28<sup>th</sup> November 2008, the affidavit of Mr. M. L. Mittal filed on 24<sup>th</sup> December 2008 showing the publication and dispatch of the notices convening the said meetings, the report of Mr. M. L. Mittal, the Chairperson for the said meetings dated 13<sup>th</sup> January 2009 alongwith the report dated 13<sup>th</sup> January 2009 as to the result of the said meetings and considering the affidavit dated 27<sup>th</sup> March 2009 filed by Mr. R. K. Dalmia, Dy. Registrar of Companies, Gujarat alongwith the letter dated 26<sup>th</sup> March 2009 by the Regional Director, Dept. of Company Affairs and considering the Additional Affidavit dated 4<sup>th</sup> April 2009 filed by Mr. Devendra Patil and it appearing from the report of the chairman for the meetings that proposed scheme has been unanimously approved by the Equity Shareholders, Secured Creditors and Unsecured Creditors and upon hearing Shri Saurabh N. Soparkar, Senior Counsel, appearing with Smt. Swati Soparkar, Advocate for the Petitioner Company, and hearing Shri Harin P. Raval, Additional Solicitor General of India Senior Standing Counsel appearing for the Central Govt.,

This Court doth hereby sanction the scheme of arrangement set forth in para 8 of the petition herein and in the Schedule hereto, and doth hereby declare the same to be binding on the Equity Shareholders, Secured Creditors and Unsecured Creditors of the above named Company and also on the said Company.

This Court doth hereby further sanction the Reduction of Capital in terms of Clause 15 of the Scheme and Para 21 of the petition and Special Resolution passed at the Extra Ordinary General Meeting dated 13<sup>th</sup> January 2009, and doth hereby specifically confirm that the

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- 3 -

minute proposed to be registered under Sec. 103 (1)(b) for the purpose, as per Para 22 of the petition is hereby approved.

And this Court doth further order that parties to the scheme of arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the said arrangement, and

That the said Company do file with the Registrar of the Companies a certified copy of this order within 30 days from the receipt of the same, and

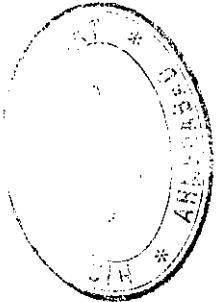
This Court doth further order payment of Rs. 3,500/- in aggregate as the cost of this petition awardable to Shri Harin P. Raval, Additional Solicitor General of India Senior Standing Counsel.

#### SCHEDULE

Scheme of Arrangement as sanctioned by the court.

MINUTE UNDER SEC. 103 (1)

Dated this 8<sup>th</sup> day of May 2009.

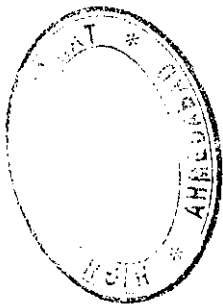


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MINUTE UNDER SEC. 103 (1)

"The Share Premium Account of Welspun India Limited was by virtue of a Special Resolution approving the proposed scheme of arrangement, passed by the Equity Shareholders of the company at the meeting dated 13<sup>th</sup> January 2009 and by virtue of the sanction granted by the High Court of Gujarat on 5<sup>th</sup> day of May 2009, reduced and be utilized to the extent not exceeding Rs. 75 crores to adjust / write off the amount representing the surplus of the assets over the liabilities of the Undertakings of the De-merged Company being transferred to the Resulting Companies."



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- 5 -

ANNEXURE "6"

Composite Scheme of Arrangement in the nature of De-merger  
And Reconstruction of Capital  
Under Sections 78, 100, 391 to 394 of the Companies Act, 1956

Between  
Welspun India Limited  
And  
Welspun Global Brands Limited  
And  
Welspun Investments Limited

GENERAL

This Scheme is divided into the following parts:

- (a) Part I, which deals with definitions and share capital ;
- (b) Part II, which deals with the scheme of De-merger;
- (c) Part III, which deals with the Consequential Reduction of Capital in the nature of Utilisation of Share Premium Account of De-merged Company
- (d) Part IV, Restructure of Capital of WGBL, the first Resulting Company and WIL, the second Resulting Company
- (e) Part V, which deals with other terms and conditions applicable to the Scheme.

PART I - DEFINITIONS

This part defines the meaning of the following expressions used in the following provisions:

- 1.1 "Act" means the Companies Act, 1956 and shall include any statutory modification, re-enactment or amendment thereof
- 1.2 "Appointed Date for Demerger" shall mean the 1<sup>st</sup> day of April 2009.
- 1.3 "Court" means the Hon'ble High Court of Gujarat or the competent National Company Law Tribunal (NCLT) as may be applicable at the relevant time

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FOR WELSPUN INDIA LIMITED

Director/Authorised Signatory

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Advocate

-6-

28

- 1.4 "De-merged Company" and "WIL", each means "Welspun India Limited", company incorporated under the Companies Act, 1956 having its registered office at Welspun City, Village Versamedi, Taluka Anjar, District Kutch Gujarat - 370110 in the state of Gujarat
- 1.5 "Effective Date" means the last of the dates on which the certified copies of the orders passed by the High Court sanctioning the Scheme are filed with the Registrar of Companies of Gujarat
- 1.6 "First Resulting Company" and "WGBL", each means "Welspun Global Brands Limited", a company incorporated under the Act, having its registered office at Opp. Morai Telephone Exchange, Village Morai, Vapi - Dist. Valsad, Gujarat - 396191 in the state of Gujarat.
- 1.7 "Record Date" means the date to be fixed jointly by the boards of directors of the De-merged Company and the respective Resulting Company for the purpose of issue of shares by the respective Resulting Company to the shareholders of the De-merged Company pursuant to the De-merger;
- 1.8 "Remaining Business" means all other assets and liabilities of the business and divisions of the said company, except those pertaining to Marketing Division and Development Division of the said company.
- 1.9 "Resulting Company" means First Resulting Company or Second Resulting Company and "Resulting Companies" means both First Resulting Company and Second Resulting Company
- 1.10 "Second Resulting Company" and "WINL", each means "Welspun Investments Limited" a company incorporated under the Act, with registered office at Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat - 370110 in the state of Gujarat
- 1.11 "Scheme", the Scheme" and "this Scheme", each means this Scheme of Arrangement in its present form submitted to the Court or with any modification made under supervision of the Court or with such other modifications, amendments in the Court's approval.

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- 7 -

29

1.12 "Undertaking-I" means the Marketing Division of the De-merged Company comprising of the following:

(i) All the assets and properties of the Marketing Division of the De-merged Company as on the Appointed Date,

(ii) All the debts, liabilities, duties and obligations of the Marketing Division of the De-merged Company as on the Appointed Date.

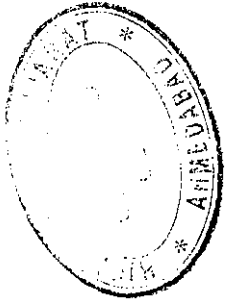
(iii) Without prejudice to the generality of sub-clause (i) & (ii) above, the Undertaking-I shall include all the reserves, movable and immovable properties, assets, including lease-hold rights, tenancy rights, industrial and other licenses, registrations, permits, authorizations, quota rights, trade marks, patents and other industrial and intellectual properties, import quotas, electrical connections, telephones, telex, facsimile and other communication facilities and equipments, 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 related to Marketing Division.

1.13 "Undertaking-II" means the Investment & Treasury Division of the De-merged Company comprising of the following:

(i) All the assets and properties of the Investment & Treasury Division of the De-merged Company as on the Appointed Date

(ii) All the debts, liabilities, duties and obligations of the Investment & Treasury Division of the De-merged Company as on the Appointed Date

(iii) Without prejudice to the generality of sub-clause (i) & (ii) above, the Undertaking-II shall include all the reserves, movable and immovable properties, assets, including lease-hold rights, tenancy rights, industrial and other licenses, registrations, permits, authorizations, quota rights, trade marks, patents and other industrial and intellectual properties, import quotas, electrical connections, telephones, telex, facsimile and other communication facilities and equipments, 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 related to Investment & Treasury Division



- 8 -

30

1.14 "Undertaking" means Undertaking-I or Undertaking-II and "Undertakings" means both Undertaking-I and Undertaking-II.

1.15 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, Income Tax Act, 1961 and other applicable laws, rules, regulations, by-laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

#### SHARE CAPITAL

2.1 As per the latest Audited Balance Sheet, the Share Capital of the "WIL" as on 31<sup>st</sup> March, 2008 was as under:

(Amount in Rs.)

##### Authorized Share Capital

8,15,00,000 Equity Shares of Rs. 10 each	81,50,00,000
11,00,000 Redeemable Cumulative Preference Shares of Rs. 100 each	11,00,00,000
2,35,00,000 Redeemable Cumulative Preference Shares of Rs. 10 each	23,50,00,000
<b>Total</b>	<b>1,16,00,00,000</b>

##### Issued, Subscribed and Paid up Share Capital

7,30,89,519 Equity Shares of Rs. 10 each fully paid up	73,08,95,190
5,00,000 0% Redeemable Cumulative Preference Shares of Rs. 100 each fully paid up	5,00,00,000
<b>Total</b>	<b>78,08,95,190</b>

After 31<sup>st</sup> March, 2008, there has been no change in the Issued, Subscribed and Paid up Share Capital of the Company.

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Advocate

-9-

31

2.2 As per the latest Audited Balance Sheet, the Share Capital of WGBL as on 31<sup>st</sup> March, 2008 was as under:

(Amount in Rs.)	
<b><u>Authorized Share Capital</u></b>	
5,00,000 Equity Shares of Rs. 10 each	50,00,000
<b>Total</b>	<b>50,00,000</b>

**Issued, Subscribed and Paid up Share Capital**

50000 Equity Shares of Rs. 10/- each fully paid up	500,000
<b>Total</b>	<b>5,00,000</b>

The Issued, Subscribed and Paid up Share Capital of the Company has since increased to 500000 equity shares of Rs. 10/- each fully paid up totaling to Rs. 50,00,000/- and the entire Issued, Subscribed and Paid up Share-Share Capital is now held by Welspun India Limited, the De-merged Company since 17-09-2008. Thus, WGBL is a wholly owned subsidiary of Welspun India Limited.



2.3 As per the Provisional Balance Sheet of WINL as on the date of incorporation, the Share Capital of the company was as under.

(Amount in Rs.)	
<b><u>Authorized Share Capital</u></b>	
5,00,000 Equity Shares of Rs. 10 each	50,00,000
<b>Total</b>	<b>5,00,000</b>
<b><u>Issued, Subscribed and Paid up Share Capital</u></b>	
50,000 Equity Shares of Rs. 10/- each fully paid up	5,00,000
<b>Total</b>	<b>5,00,000</b>

*[Signature]*



-10-

32

The entire Issued, Subscribed and Paid up Share Capital is held by Welspun India Limited, the De-merged Company. Thus, WINL is a wholly owned subsidiary of Welspun India Limited.

## PART II - SCHEME OF DE-MERGER

### 3. HIGH LIGHTS OF THE SCHEME

#### A. De-merger of Marketing Division:

3.1 Pursuant to this Scheme of Arrangement, the **Undertaking-I** shall, w.e.f. the Appointed Date without any further act or deed, be deemed to have been transferred to and vested in the **First Resulting Company**, under Sections 391 to 394 of the Act in the manner that:

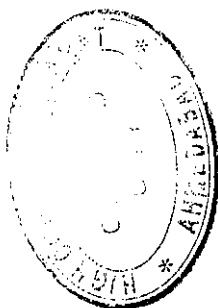
(i) All the properties pertaining to the **Undertaking-I** held by the De-merged Company, immediately before the Appointed Date, shall stand transferred to, and become the properties of the **First Resulting Company** with effect from the Appointed Date.

(ii) All the liabilities pertaining to the **Undertaking-I**, being the liabilities of the De-merged Company immediately before the Appointed Date, shall stand transferred to, and become the liabilities of the **First Resulting Company** with effect from the Appointed Date.

(iii) The properties and liabilities of the **Undertaking-I** being transferred by the De-merged Company shall be transferred to the **First Resulting Company** at values appearing in the books of the De-merged Company immediately before the Appointed Date.

(iv) The transfer of the **Undertaking-I** shall be on an going concern basis so that the **First Resulting Company** shall be in a position to carry on the business which was being carried on by the De-merged Company without interruption.

(v) In consideration of the transfer of the **Undertaking-I**, the **First Resulting Company** shall issue its equity shares to the shareholders of the De-merged Company, one equity share of Rs. 10/- each, in **First Resulting**



Advocate

- 11 -

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Company for every 10 equity shares of Rs. 10/- each held in the De-merged Company

**B: De-merger of Investment and Treasury Division:**

3.2 Pursuant to this Scheme of Arrangement, the **Undertaking-II** with effect from the Appointed Date without any further act or deed, be deemed to have been transferred to and vested in the **Second Resulting Company**, under Sections 391 to 394 of the Act in the manner that:

(i) All the properties pertaining to the Undertaking-II held by the De-merged Company immediately before the Appointed Date, shall stand transferred to, and become the properties of the **Second Resulting Company** with effect from the Appointed Date.

(ii) All the liabilities pertaining to the Undertaking-II, being the liabilities of the De-merged Company immediately before the Appointed Date, shall stand transferred to, and become the liabilities of, the **Second Resulting Company** with effect from the Appointed Date.

(iii) The properties and liabilities of the Undertaking-II being transferred by the De-merged Company shall stand transferred to the **Second Resulting Company** at values appearing in the books of the De-merged Company immediately before the Appointed Date.

(iv) The transfer of the Undertaking-II shall be on an going concern basis so that the **Second Resulting Company** shall be in a position to carry on the business which was being carried on by the De-merged Company without interruption.

(v) The transfer of the Undertaking-II to the **Second Resulting Company** shall be on the basis of 10 equity shares of Rs. 10/- each in the De-merged Company being transferred for every 20 equity shares of Rs. 10/- each in the De-merged Company.

**4 TRANSFER OF UNDERTAKING**

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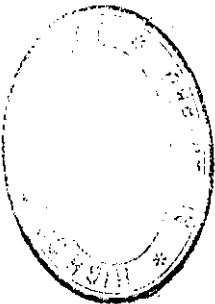
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4.1 With effect from the Appointed Date the whole of the properties and assets pertaining to the Undertaking-I and Undertaking-II, including the investment made in the shares of the respective Resulting Company shall, under the provisions of Sections 391 and 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in WGBL, the First Resulting Company and WINV, the Second Resulting Company, respectively at their respective book values, as at the close of business of the day immediately preceding the Appointed Date so as to vest in the respective Resulting Company all the rights, title and interest of the De-merged Company therein.

4.2 With effect from the Appointed Date all debts, liabilities, duties and obligations of every kind, nature and description relating to the Undertaking I and Undertaking-II shall stand transferred or be deemed to be transferred, without any further act or deed, pursuant to the Section 391 and 394 of the Act so as to become the debts, liabilities, duties and obligations of the First Resulting Company and Second Resulting Company respectively 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, duties and obligations have arisen, in order to give effect to the provisions of this Scheme.



Registered in the name of the First Resulting Company and the Second Resulting Company, respectively, and the same shall be deemed to be transferred to the First Resulting Company and the Second Resulting Company, respectively, without any further act or deed, pursuant to the Section 391 and 394 of the Act so as to become the debts, liabilities, duties and obligations of the First Resulting Company and Second Resulting Company respectively 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, duties and obligations have arisen, in order to give effect to the provisions of this Scheme.

4.4 Without prejudice to the generality of Clause 4.1 above, the Undertaking I and Undertaking II of the De-merged Company shall mean and include inter alia all the relating properties and assets including current assets, cash and bank balances, goodwill and other intangibles, investments, rights, titles, interests, powers, authorities, licenses, contracts and registrations of whatsoever nature including, without being limited to all patents, trade marks, trade names, know how and other intellectual property, rights of whatsoever nature and licenses in respect thereof.

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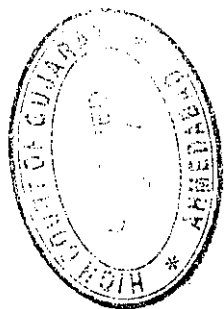
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(ii) In respect of such of the said assets other than those referred to in sub para (i) above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the respective Resulting Company with effect from the Appointed Date pursuant to the provisions of Section 394 of the Act

Inasmuch as the existing security over the assets of the De merged Company in respect of the Funded Financing part of an Undertaking is concerned, such security shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprising the Undertaking which have been charged and secured in respect of the liabilities pertaining to the Undertaking. Provided that if any assets comprising the Undertaking which are being transferred to respective Resulting Company pursuant to the Scheme have not been charged or secured in respect of the liabilities pertaining to the Undertaking, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets unless otherwise determined by the Board of Directors of respective Resulting Company. The absence or any formal amendment which may be required by a lender or third party shall not affect the above.

4.3 In the event the assets comprising the Remaining Business are concerned, the security relating to the liabilities pertaining to the Undertakings over such assets shall without any further act, instrument or deed be released and:



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-14-

36

discharged from the obligations and security relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the above.

iii) In so far as the assets comprising an Undertaking which are being transferred to respective Resulting Company pursuant to this Scheme are concerned, the security and charge over such assets relating to any loans, borrowing or debentures which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company) shall, without any further act, instrument or deed be released and discharged from such encumbrance and shall no longer be available as security in relation to the Remaining Business. The absence of any formal amendment which may be required by a lender or third party shall not affect the above.

iv) The provisions of this Clause shall operate, notwithstanding anything to the contrary contained to any deed or writing or terms of sanction or issue or any security documents all of which instruments shall stand modified and/or superseded by this clause.

4.6 The respective 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, execute deeds of confirmation in favour of the secured creditors of the Demerged Company relating to the respective Undertaking or in favour of any other party to any contract or arrangement to which the Demerged Company is a party or any witnesses may be necessary to execute in order to give formal effect to the above provisions. The respective Resulting Company shall under the provisions of this Scheme be deemed to be authorized to execute any such deed or instrument on behalf of the Demerged Company as the case may be and to implement or carry out all such formalities or compliances as are required to be carried out or performed by the Demerged Company under any loan agreements or contracts or otherwise.

5. CONDUCT OF BUSINESS BY DE-MERGED COMPANY TILL EFFECTIVE DATE

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-15-

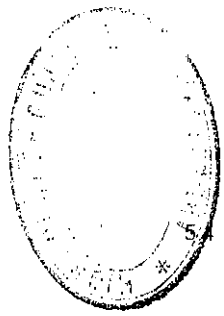
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Until the Effective Date,

5.1 The De-merged Company shall carry on and shall be deemed to have carried on its business and activities and shall hold and shall stand possessed and shall be deemed to have held and stood possessed of all the assets of the Undertaking-I and Undertaking-II on account of and in trust for the respective Resulting Companies and shall act and be entitled to be indemnified accordingly.

5.2 Subject to the provisions of this Scheme, all the profits or income accruing or arising to the De-merged Company or expenditures or losses incurred by it on account of the Undertaking - I and Undertaking-II shall for all purposes be treated and deemed to be the income, profit, loss or expenditure (as the case may be) of the respective Resulting Companies.

5.3 The De-merged Company shall carry on the business activities of the Undertakings with reasonable diligence, business prudence and the De-merged Company shall not without the written concurrence of the Resulting Companies, alienate, charge or otherwise deal with any of the properties or assets of the respective Undertaking (except incurring necessary and reasonable expenses to carry on the day-to-day operations and manufacturing activities of the Undertaking and attending to its statutory obligations) or vary the terms and conditions of employment of its employees, if any.



During the pendency of the Scheme, the De-merged Company shall not, without the prior written permission of the Board of Directors of respective Resulting Company, undertake or commence any new business in the said Undertaking.

#### 6. LEGAL PROCEEDINGS

All proceedings (including all suits, appeals, revisions, petitions, references, applications or other proceedings of whatsoever nature) if any, by or against the De-merged Company, in connection with the Scheme, and in respect of the Undertaking - I and Undertaking - II pending on the appointed Date in respect of any property, rights, assets, debts, liabilities, duties and obligations, if any, thereof referred to in Clauses 4.1 & 4.2 herein above, shall be continued without being prejudicially affected by reason of

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transfer of assets and liabilities of the respective Undertaking, and enforced until the Effective Date by the De-merged Company as desired by the respective Resulting Company and as from the Effective Date, the same shall be continued and enforced by or against the respective Resulting Company, as the case may be.

7. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

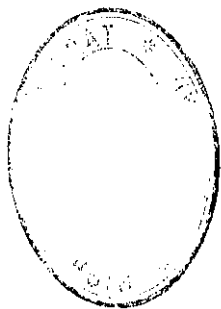
Subject to the other provisions of the Scheme, all lawful contracts, duties, bonds, agreements and other instruments of whatever nature in respect of an Undertaking to which the De-merged Company is a party subsisting or having effect immediately before the Appointed Date shall be in full force and effect against or in favour of the respective Resulting Company, and may be enforced as fully and as effectively as if instead of the De-merged Company the respective Resulting Company had been a party thereto.

8. ISSUE OF SHARES BY THE RESULTING COMPANIES

8.1 Upon the transfer of the Undertaking-I of the De-merged Company pursuant to this Scheme and the arrangement becoming effective in terms of this Scheme, the First Resulting Company shall issue and allot in its capital, credited as paid up, to all the Members of the De-merged Company whose names appear in the Register of Members on the Record Date / Book closure to be fixed by the Directors of the First Resulting Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the First Resulting Company and approved by them to be placed on its register of members in the following proportion viz:-

1 (one) Equity Shares of Rs.10/- each credited as fully Paid up of the First Resulting Company shall be issued and allotted at par for every 10 (Ten) equity shares of the face value of Rs. 10/- (Rupees ten only) each, to the Shareholders of the De-merged Company as on the Record Date fixed for the said purpose.

8.2 Upon the transfer of the Undertaking-II pursuant to this Scheme and the arrangement becoming effective in terms of this Scheme, the Second Resulting Company shall issue and allot in its capital at par credited as paid



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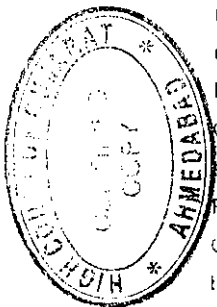
up, to all the Members of the De-merged Company whose names appear in the Register of Members on the Record Date / Book closure to be fixed by the Directors of the Second Resulting Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Second Resulting Company and approved by them to be placed on its register of names in the following proportion viz:-

1 (one) Equity Share of Rs.10/- each credited as fully Paid up of the Second Resulting Company shall be issued and allotted at par for every 20 (Twenty) equity shares of the face value of Rs.10/- (Rupees ten only) each, to the Shareholders of the De-merged Company as on the Record Date fixed for the said purpose.

8.3 The said Equity Shares in the Resulting Companies to be issued to the shareholders of the De-merged Company shall rank pari passu in all respects.

8.4 The fractional entitlements arising out of the above ratio shall be treated as under

No fractional certificates shall be issued by the Resulting Companies in respect of the fractional entitlements, if any, to which the members of the De-merged Company may be entitled on issue of allotment of the shares by the Resulting Company as aforesaid. The directors of the respective Resulting Company shall instead consolidate all such fractional entitlements and allot shares in lieu thereof to a Director or an Authorised Officer of the respective Resulting Company with the express understanding that such Director or the Officer shall sell the same at the best available price in one or more lots and by private sale / placement or by auction as deemed fit (the decision of such Director or the Officer as the case may be as to the timing and method of the sale and the price at which such sale has been given effect to shall be final) and the proceeds thereof shall be credited to the respective Resulting Company. The net sale proceeds of the sale shall be distributed by the respective Resulting Company to the shareholders of the De-merged Company in proportion of their fractional entitlements.



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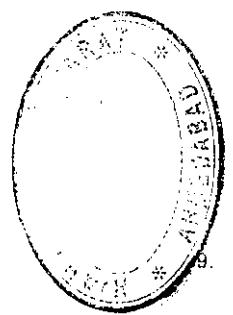
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8.5 For the purpose as aforesaid, the Resulting Companies shall, if and to the extent required, apply for and obtain any approvals including that of the SEBI, Reserve Bank of India and other concerned authorities, for the issue and allotment by the Resulting Companies to the respective Members of the De-merged Company, the Equity Shares in the said reorganized share capital of the Resulting Companies in the ratio as aforesaid.

8.6 The Resulting Companies will endeavor that the Equity Shares of the Resulting Companies issued in terms of this Clause 8 be listed and/or admitted to trading on the relevant Stock exchange/s, whether in India or abroad where the equity shares of the respective Resulting Company or the De-merged Company are listed and/or admitted to trading. The respective Resulting Company shall enter into such arrangement and issue such confirmation and/or undertakings as may necessary in accordance with the applicable laws or regulations, for the above purpose. But on such formalities being fulfilled all such stock exchange shall list and/or admit the said new shares also for the purpose of trading. All the statutory and Government authorities shall give necessary approvals and permissions forthwith in this regard.

8.7 The said equity shares of the Resulting Companies allotted pursuant to this Clause shall remain frozen in the depositories system till listing of the shares is given by the relevant Stock Exchange/s



9. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANIES

Upon the coming into effect of this Scheme and with effect from the Appointed Date.

9.1 The respective Resulting Company shall record the assets and liabilities of the respective Undertaking vested in it pursuant to this Scheme, at the respective book values thereof, as appearing in the books of the De-merged Company on the Appointed Date

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- 9.2 The respective Resulting Company shall credit the aggregate face value of the New Equity Shares of the respective Resulting Company issued by it to the members of the De-merged Company pursuant to this Scheme to the Share Capital Account in its books of account.
- 9.3 An amount equal to the balance lying in the Reserves and Surplus Account in the books of the De-merged company relating to respective Undertaking shall be transferred to and reflected by the respective Resulting Company in its Reserves and Surplus Account.
- 9.4 Any difference, whether an excess or a shortfall in the value of net assets of an Undertaking transferred to a Resulting Company pursuant to the order of the Court over the value of the New Equity Shares allotted by the Resulting Company under Clause 8 shall be credited to Capital Reserve or transferred to Goodwill as the case may be.
- 9.5 In case of any difference in accounting policy between the De-merged Company and the Resulting Companies, the impact of such differences shall be quantified and adjusted in the Share Premium Account or the General Reserve Account, as the case may be, of the respective Resulting Company to ensure that financial statements of the Resulting Company on the Effective Date are on the basis of consistent accounting policy.


10.

**ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY**

The De-merged Company shall give effect to the transfer of assets and liabilities of the Undertakings as on the Appointed Date in its books as under

Pursuant to the Scheme and the other related provisions of the Scheme and concurrently and as an integral part of the Scheme, upon coming into effect of the Scheme, in the books of account of De-merged Company, the difference between the assets of the Undertaking and the liabilities of the Undertakings being transferred to the Resulting Companies shall be adjusted against the balance of the Share Premium Account of the De-merged Company as detailed in terms of Part III of this Scheme

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11. DE-MERGED COMPANY'S STAFF, WORKMEN AND EMPLOYEES

Upon the Scheme becoming effective all employees of the Undertaking- I and Undertaking- II shall become the employees of the respective Resulting Company with effect from the Appointed Date and their services shall be deemed to have continued without interruption by the vesting of the assets and liabilities of the Undertaking to the respective Resulting Company under the Scheme and the terms and conditions of service applicable to them, as aforesaid, will continue to govern them as employees of the respective Resulting Company.

12. OPERATIONS OF THE DE-MERGED COMPANY

The De-merged Company shall not be dissolved or wound up by virtue of or upon the sanction of the scheme by the competent courts under Section 394 of the Act and shall continue with its Remaining Business as a going concern.

13. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities pertaining to the Undertakings pursuant to this Scheme, and the continuance of proceedings by or against the Demerged Company under Clause 4 above shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by the Demerged Company in connection with the respective Undertaking subject to Clause 4 above, till the date of demerger for Demerged till the Effective Date, to the end and intent that the Resulting Company shall accept and adopt all acts, deeds and things done and executed by the Demerged Company in respect thereto as done and executed on behalf of itself.

14. AMENDMENT IN MEMORANDUM AND ARTICLES OF ASSOCIATION OF DE-MERGED COMPANY AS WELL AS RESULTING COMPANIES

14.1 Clause V of the Memorandum of Association and Article 5 of the Articles of Association of the De-merged Company viz. Welspun India Limited (relating to Authorised Share Capital) each shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94 and 394 and other

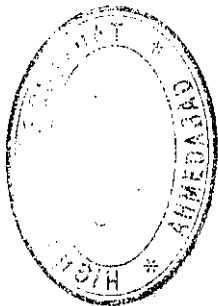
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applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following as clause V and Article 5:

"The Authorised Share Capital of the Company is Rs. 80,00,00,000/- (Rupees Eighty Crore Fifty Lac only) divided into 7,50,00,000 (Seven Crore Fifty Lac only) Equity Shares of Re. 10/- (Rupee Ten only) each and 5,00,000 Redeemable Preference Shares of Rs. 100 each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being in force, with power to increase or reduce the capital for the time being and to divided the same into several classes and to attach thereto respectively any preferential, qualified or special privileges or conditions including as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such a manner as may for the time being be provided for by the Articles of Association of the Company or by the law in force for the time being."

14.2 Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the First Resulting Company viz. Welspun Global Brands Limited (relating to Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause as clause V and Article 4:



"The Authorised Share Capital of the Company is Rs. 25,50,00,000/- (Rupees Twenty Five Crore Fifty Lac only) divided into 2,55,00,000 (Two Crore Fifty Five Lac only) Equity Shares of Rs. 10/- (Rupees Ten only) each, with power to increase and reduce the capital and divide these shares in the capital for the time being into several classes and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the regulations of the company."

14.3 Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the second Resulting Company viz. Welspun Investments Limited (relating to Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94 and 394

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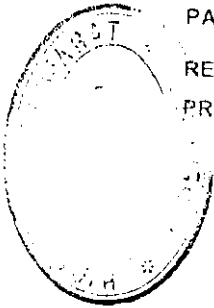
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and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause as clause V and Article 4:

"The Authorised Share Capital of the Company is Rs. 13,00,00,000/- (Rupees Thirteen Crore only) divided into 1,30,00,000\_ (One Crore Thirty Lac only) Equity Shares of Rs. 10/- (Rupees Ten only) each with power to increase and reduce the capital and divide these shares in the capital for the time being into several classes and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the regulations of the company."

14.4 Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alterations viz. Change Capital Clause, referred above, shall become operative on the scheme being effective by virtue of the fact that the Shareholders of the De-merged Company and the Resulting Companies, while approving the Scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Sections 16, 31, 94 and 394 of the Companies Act, 1956 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act



PART III

REDUCTION OF CAPITAL IN THE NATURE OF UTILISATION OF SHARE PREMIUM ACCOUNT

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Page 18 of 19

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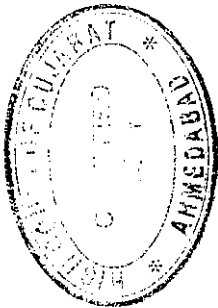
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15.1 As a consequence of the De-merger and Transfer of the Undertaking I and Undertaking II, Share Premium Accounts of the company is proposed to be utilized to adjust / write off the amount representing the surplus of the assets over the liabilities of the Undertakings being transferred to the Resulting Companies as envisaged in Clause 10.1.

15.2 It is proposed that the amount not exceeding Rs. 75 Crore standing to the credit balance of Share Premium Account shall be so utilized for the said adjustment

15.3 The same amounts to reduction of capital under sec. 78 and 100 of the Companies Act. However, the same is consequential in nature and is proposed to be effected as an integral part of the Scheme. The approval of the members and creditors of WIL to the proposed Scheme, shall be deemed to be their approval under the provisions of Sections 78, 100 and all other applicable provisions of the Act to such reduction of capital of the De-merged Company and the De-merged Company shall not be required to undertake any separate proceedings for the same. The order of the Honorable High Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act. In view of the same, the Resulting Companies shall not be required to separately comply with Sec. 100 or any other provisions of Companies Act, 1956. The De-merged Company shall not be required to add "And Reduced" after its name



#### PART-IV

#### RESTRUCTURE OF CAPITAL OF WGEL AND WINL

16.1 Upon the Scheme becoming effective, the investments made by the De-merged Company in the shares of the Resulting Companies are proposed to be transferred and vested in the respective Resulting Company. Since both the Resulting Companies are wholly owned subsidiaries of the De-merged Company, upon the Scheme becoming effective, the shares held by the De-merged Company in both the Resulting Companies shall stand cancelled. This shall amount to consequential reduction of initial capital of both the Resulting companies. However, since both the Resulting Companies shall issue shares to the shareholders of the De-merged company as the

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Advocate

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consideration of such transfer and vesting of the respective Undertakings, as per the share exchange ratio provided in clause 8.1 and 8.2 for respective Resulting Company, there will not be any net reduction of share capital.

16.2 Thus, the cancellation of the initial share capital of the Resulting Companies is consequential and there is no net reduction of share capital of these Resulting Companies. Further this capital restructure is proposed as an integral part of the Scheme. In view of the same, the Resulting Companies shall not be required to separately comply with Sec. 100 or any other provisions of Companies Act, 1956.

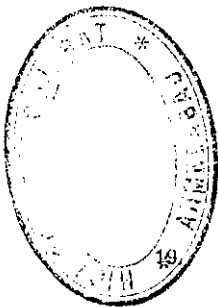
#### PART V - OTHER TERMS AND CONDITIONS

##### 17. APPLICATIONS TO HIGH COURT

The De-merged Company and the Resulting Companies shall with all reasonable dispatch, make applications to the High Court of Gujarat for sanctioning the Scheme of Arrangement under Section 391 read with Sec. 78 and 100 of the Companies Act, 1956 and for an order under Section 394 of the Companies Act, 1956 and for carrying the Scheme into effect

##### 18. MODIFICATIONS/AMENDMENTS TO THE SCHEME

For the purpose of giving effect to this scheme, the Board of Directors of the De-merged Company and also the Board of Directors of the Resulting Companies, shall be entitled to give such directions as may be deemed necessary or desirable by them to settle any questions of doubt or difficulty of whatsoever nature. The respective Board of Directors of the De-merged Company and Resulting Companies may consent to any modification or amendment of the Scheme, which may either be required by the courts or any other authority or which in the exercise of the discretion by such directors may be considered necessary, desirable or appropriate by them in the best interest of the shareholders



##### SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

Page 10 of 12

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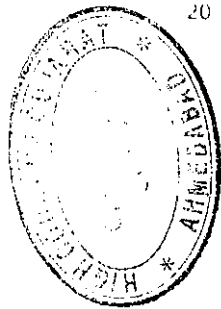
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This Scheme is conditional upon and subject to the following provisions-

- 19.1 to the approval of and agreement to the Scheme by the requisite majorities of such classes of shareholders and creditors of the De-merged Company and the Resulting Companies as may be directed by the High Court of Gujarat on the applications made for directions under Section 394 of the Act, for calling meeting and necessary resolutions being passed under the Act for the purpose.
- 19.2 The sanction of the Scheme by the High Court of Gujarat and to the necessary order or orders being obtained under Section 391, 394 and other applicable provisions of the Companies Act, 1956 by the De-merged Company and the Resulting Companies
- 19.3 The approvals, sanctions and permissions, if any, of the other concerned authorities as may be required.
- 19.4 The De-merged Company and the Resulting Companies, shall obtain such other consent or approval as may be required under any statute or contract not specifically referred to in this Scheme.

20. MISCELLANEOUS



- 20.1 The Scheme, although operative from the Appointed Date, shall take effect upon and from the date on which the last of the confirmation, sanctions and approvals or orders are finally obtained and the certified copies of the order(s) of the competent courts under Section 394 of the Companies Act, 1956 are filed with the Registrar of Companies, which date shall be the effective date for the purpose of the Scheme. Provided, however, that in the event of the aforesaid sanctions, approvals, or orders, for any reason not being obtained on or before 31.06.2009 or within such further period or periods as may be mutually agreed upon between the De-merged Company and the Resulting Companies, through their respective Board of Directors, this Scheme shall become null and void and no rights and liabilities shall accrue to or be incurred inter se by the parties in terms of this Scheme and both the

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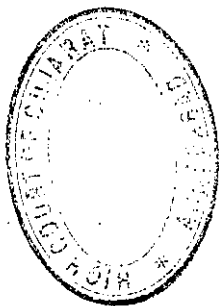
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parties will be absolved from the effect of any action/inaction taken by them in response of the Scheme

20.2 Till the event of this Scheme becoming effective all the De merged Company, the Resulting Company shall continue to hold their Annual General Meeting and other meetings in accordance with the relevant laws and shall continue to comply with all their statutory obligations in the same manner, as if this Scheme is not existing.

20.3 All costs, charges and expenses in relation to or in connection with this Scheme and its implementation and of carrying out and completing the terms and provisions of this Scheme and of and incidental to completion of the arrangement under this Scheme, if identifiable with respective companies shall be borne and paid by the respective company and if common and non-identifiable with respective companies shall be borne and paid in equal proportion by the respective companies.



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Advocate

-27-

Dated this 8<sup>th</sup> day of May 2009.

Witness K. S. Radhakrishnan Esquire,

the Chief Justice at Ahmedabad

aforesaid this Eighth day of May Two Thousand Nine.

By the order of the Court

Registrar (Judicial)  
this 29<sup>th</sup> day of May 2009

Sealer

This 29<sup>th</sup> day of May 2009

Order drawn by:

Swati Sefarkar  
(Swati Saurabh Soparkar)  
Advocate

204, Aakanksha, Opp. Vadilal House,  
Nr. Mount Carmel Railway Crossing,  
Navrangpura, Ahmedabad.

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ASSISTANT REGISTRAR  
THIS DAY OF

3/6/09

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No. (Rs.) 30 page).  
Compounding & Court Charges  
Total Rs. 104.00

Corrected by 20/11/12

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY	PETITION	NO.	177	OF	2012
CONNECTED WITH					
COMPANY	APPLICATION	NO.	230	OF	2012

In the matter of Sec.391 to 394  
of the Companies Act, 1956

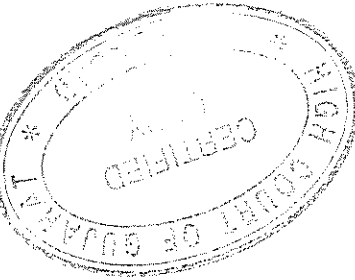
And

In the matter of Welspun India  
Limited, a Company having its  
registered office at Welspun  
City, Village-Versamedi, Taluka-  
Anjar, District-Kutch, Gujarat -  
370110;

Copy Applied on 23/11/12  
Copy Filed on 23/11/12  
Notified on 23/11/12  
Copy on 23/11/12  
Sent on 23/11/12  
Regd. by Post 23/11/12

By S.O.

And



Section Officers  
Decree Department  
Dt 2/12/2012

In the matter of Composite  
Scheme of Arrangement  
between Welspun India Limited  
and Welspun Global Brands  
Limited and Welspun Retail  
Limited;

And

In the matter of;

Welspun India Limited,  
A Company having its registered office at  
Welspun City, Village-Versamedi,  
Taluka-Anjar, District-Kutch,  
Gujarat - 370110.

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.....Petitioner  
(Demerged/First Transferee Company)

BEFORE HONORABLE MR. JUSTICE R.M.CHHAYA

DATE : 26.11.2012

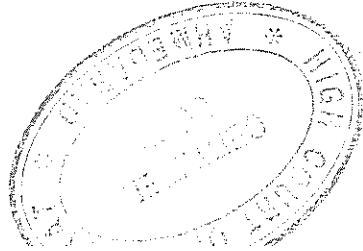
ORDER ON PETITION

The above petition coming on for hearing on 26th day  
of November, 2012, UPON READING the said petition, the  
order dtd. 22.06.2012 made in Company Application No.

22

230/2012 thereby directing convening meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the petitioner company on 04.08.2012, the Chairman Shri R.G. Sharma appointed by the Court filed the Chairman Reports dated 17.08.2012 to show that the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Company were held on 04.08.2012 as ordered and also to show that the Equity Shareholders and Unsecured Creditors present in person or through proxy with majority above the statutory majority as contemplated u/s. 391 of the Act have approved the Scheme, whereas the secured creditors present in person or through proxy have unanimously approved the Scheme, the order dated 29.08.2012 admitting the petition and directing publication of advertisements, the advertisements published in Gujarati daily newspaper "Kutch Mitra", Kutch edition on 13.9.2012 and the English daily newspaper "Times of India", Rajkot Edition on 14.9.2012 having circulation in Kutch containing the advertisement of the said notice of petition, the affidavit of publication dated 08.10.2012, the report of the Regional Director filed through affidavit dated 23.10.2012, the affidavit dated 23.10.2012 filed in response thereto by the petitioner company and upon hearing Mr. Navin Pahwa, Advocate for the petitioner and Y.V. Vaghela, learned Central Government Standing Counsel, it appears that the Scheme of Arrangement has been approved unanimously by the secured creditors and by the Equity Shareholders and Unsecured Creditors having majority above the statutory majority.

THIS COURT DOTH hereby sanctions the scheme annexed at Annexure-C to the petition herein and in the Schedule hereto subject to the directions recorded in the order sanctioning the Scheme, and doth hereby declare that the same to be binding on the Shareholders and Creditors



Done

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of the above named company and also on the said company.

AND THIS COURT DOTH FURTHER ORDER that the parties to the compromise or arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the compromise or arrangement, and

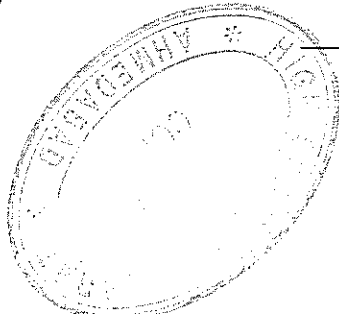
That the said Company do file with the Registrar of the Companies a certified copy of this order within thirty days from the date of obtaining the same.

*THIS COURT DOTH FURTHER ORDER the payment of Rs.7500/- be paid as the cost of this petition awardable to Shri Y.V.Vaghela, Learned Central Government Standing Counsel.*

SCHEDULE

Scheme of Arrangement as sanctioned by the Court.

Dated this 26<sup>th</sup> day of November, 2012.



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COMPOSITE SCHEME OF ARRANGEMENT  
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

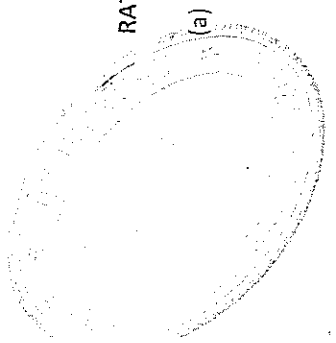
BETWEEN  
WELSPUN INDIA LIMITED  
AND  
WELSPUN GLOBAL BRANDS LIMITED  
AND  
WELSPUN RETAIL LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS & CREDITORS

This Scheme of Arrangement provides for:

- (i) Amalgamation of Welspun Global Brands Limited as going concern with Welspun India Limited pursuant to Section 391 to 394 and other applicable provisions of the Companies Act, 1956;
- (ii) Subject to satisfactory fulfillment and accomplishment of (i) above, the going concern of the Marketing Business Undertaking of Welspun India Limited as a going concern into Welspun Retail Limited;
- (iii) Subject to satisfactory fulfillment and accomplishment of (i) above and simultaneously with the implementation of (ii) above, transfer of investments of Welspun India Limited by way of shares of Welspun USA Inc, Welspun Holdings Private Limited & Welspun Mauritius Enterprises Limited to Welspun Retail Limited;
- (iv) Subject to satisfactory fulfillment and accomplishment of (i), (ii) and (iii) above, change of name of Welspun Retail Limited to Welspun Global Brands Limited. This Scheme also makes provisions for various other matters consequential or related thereto and otherwise integrally connected therewith.

RATIONALE

- (a) Welspun Global Brands Limited (hereinafter referred to as "WGBL") is a public limited company incorporated under the provisions of the Companies Act 1956. The shares of the WGBL are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. WGBL is engaged in the business, inter alia, of export of home textile products and creating, developing and promoting of brands trade names, trademarks, copyrights, patents for marketing of various home and fashion related products;
- (b) Welspun India Limited (hereinafter referred to as "WIL") is a public limited company incorporated under the provisions of the Companies Act 1956. The shares of the WIL are listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. WIL is engaged in the business of manufacturing, buying, selling, exchanging, processing, importing, exporting or dealing, inter alia, in home textile products, yarns and fibers;
- (c) Welspun Retail Limited (hereinafter referred to as "WRL") is a closely held unlisted public limited company incorporated under the provisions of the Companies Act 1956. WRL is a subsidiary of WGBL and is engaged in the business of retailing of home textile and related products, commodities, goods, services;



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For Welspun India Limited  
*Amma*  
Company Secretary

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ADVOCATE

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- (d) Welspun USA Inc ("WUL"), a company organized under the Laws of United States of America and having its principle place of business at 11<sup>th</sup> Floor, Suite No. 1118, Textile Building, 5th Avenue, New York, NY – 10016, USA. Welspun USA Inc is a subsidiary of WGBL.
- (e) Welspun Holdings Private Limited ("WPL"), a company organized under the Laws of Cyprus and having its principle place of business at 10 Diomidous Street, Alphamega Akropolis Building, 3rd Floor, Office 401 P.C. - 2024 Nicosia, Cyprus. Welspun Holdings Private Limited is a subsidiary of WGBL.
- (f) Welspun Mauritius Enterprises Limited ("WML"), a company organized under the Laws of Mauritius and having its principle place of business at Rogers House, 5 President John Kennedy Street, Port-Louis, Mauritius. Welspun Mauritius Enterprises Limited is a subsidiary of WGBL.
- (g) All the companies stated in (a) to (f) above are companies forming part of Welspun group of companies.
- (h) In order to consolidate these businesses and in order to reap the benefits of operational synergy and enhance shareholder value, it is proposed to merge WGBL into WIL, hiving off of Marketing Business Undertaking of WIL (defined hereafter) into WRL, Transfer investment by WIL in Welspun USA Inc, Welspun Holdings Private Limited & Welspun Mauritius Enterprises Limited to WRL and Change the name of WRL to Welspun Global Brands Limited.

#### GENERAL

This Scheme is divided into the following parts:

- (a) Part I, deals with definitions and share capital;
- (b) Part II, deals with the scheme of amalgamation of Transferor Company, with the First Transferee Company;
- (c) Part III, deals with the transfer of the Marketing Business Undertaking into Second Transferee Company;
- (d) Part IV, deals with the transfer of shares of Welspun USA Inc, Welspun Holdings Private Limited & Welspun Mauritius Enterprises Limited by First Transferee Company to Second Transferee Company;
- (e) Part V, deals with change of name of the Welspun Retail Limited to "Welspun Global Brands Limited"; and
- (f) Part VI, deals with general terms and conditions applicable to the Scheme.

#### PART-I

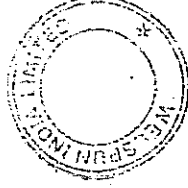
#### 1. DEFINITIONS AND INTERPRETATIONS

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

"Act" means the Companies Act, 1956, or any statutory modification or re-enactment thereof for

For Welspun India Limited

Director / Company Secretary



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the time being in force.

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

"Appointed Date" means opening business hours of April 1, 2011.

"Appropriate Authority" means any governmental, statutory, departmental or public body or authority, including Securities and Exchange Board of India; Stock Exchanges; Registrar of Companies, Company Law Board, Competition Commission of India, National Company Law Tribunal and the Gujarat High Court.

"BSE" shall mean the Bombay Stock Exchange Limited.

"Effective Date" means the date on which all the conditions and matters referred to in Part-I, Part-II, Part-III, Part IV and Part-V hereof have been fulfilled, including a certified copy of the Order of the High Court of Gujarat at Ahmedabad sanctioning the Scheme of Arrangement is filed with the Registrar of Companies Gujarat.

"First Transferee Company" or "WIL" means, a company incorporated on 17 January 1985 under the name Welspun Winilon Silk Mills Private Limited. Subsequently on 12 January 1989 the name of Welspun Winilon Silk Mills Private Limited was changed to Welspun Polyesters (India) Limited. Subsequently on 12 October 1995 the name of Welspun Polyesters (India) Limited was changed to Welspun India Limited. The registered office of WIL is at Welspun City, Village Versamedl, Taluka Anjar, District Kutch, Gujarat 370 110.

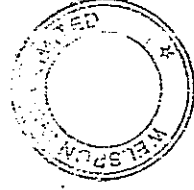
"Grant Thornton" means Grant Thornton India LLP having their office at 16th Floor, Tower II, Indiabulls Finance Centre, S B Marg, Elphinstone (W), Mumbai 400013.

"Marketing Business Undertaking" shall mean the division of the First Transferee Company dealing in home textiles products and a business of creating, developing and promoting of the brands trade names, trademarks, copyrights, patent for marketing of various home and fashion related products and include:

- a) the movable and immovable properties including plant and machinery, equipments, furnitures, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the First Transferee Company in relation to marketing business undertaking, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licenses, permits, authorisations, trademarks, 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

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Director / Company Secretary



3 | 26

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7

whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc. all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions and approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation etc.) and whatsoever 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 marketing business undertaking of the First Transferee Company;

- b) All the debts, liabilities, duties and obligations including contingent liabilities of First Transferee Company with regards to the Marketing Business Undertaking;
- c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes alongwith their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronics form in connection with or relating to the Marketing Business Undertaking of the First Transferee Company.

"NSE" National Stock Exchange of India Limited

"Offshore Subsidiaries" means WUSA, WPL and WML.

"Parties" or "Parties to the Scheme" means the WGBL, WIL and WRL.

"Record Date" means the date to be fixed by the Board of Directors of the Transferor Company in consultation with the First Transferee Company for the purpose of reckoning names of the equity shareholders of the Transferor Company, who shall be entitled to receive shares of the First Transferee Company upon coming into effect of this Scheme as specified in Clause 7.1 of Part -II of this Scheme.

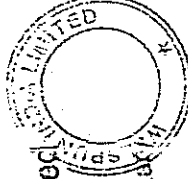
"Scheme", "the Scheme", "this Scheme" shall mean this Composite Scheme of Arrangement in its present form submitted to the High Court of Gujarat at Ahmadabad or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the High Court or any other Appropriate Authority may direct.

"Second Transferee Company" or "WRL" means, a company incorporated on 14 December 2004 under the name Welspun Hometex Limited. Subsequently on 29 December 2005 the name of Welspun Hometex Limited was changed to Welspun Retail Limited. The registered office of WRL is at Survey No. 76, Village Morai, Vapi, District Valsad, Gujarat - 396.191.

"Transferor Company" or "WGBL" means Welspun Global Brands Limited, a company incorporated on 19 January 2000 under the name Banshika Trading Private Limited. Subsequently on 5 October 2005 the name of Banshika Trading Private Limited was changed to Welspun Home Brands Limited. On 21 July 2006 the name of Welspun Home Brands Limited was further changed to Welitex International Limited. Subsequently on 23 June 2008 the name of Welitex International Limited was changed to Welspun Global Brands Limited. The registered office of WGBL is at Welspun City, Village Versamedi, Taluka Anjar, District Kutich, Gujarat 370 110.

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8

WGBL Undertaking means all the business, undertakings, properties and liabilities of whatsoever nature and kind and wheresoever situated of the Transferor Company, on a going concern basis, together with all their assets and liabilities and shall mean and include (without limitation):

- a) all the movable and immovable properties including plant and machinery, equipments, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the Transferor Company, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licenses, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc. all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions and approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the WGBL as on the Appointed Date;

All the debts, liabilities, duties and obligations including contingent liabilities of Transferor Company as on the Appointed Date;

All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes alongwith their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronics form in connection with or relating to the Transferor 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, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, Income Tax Act, 1961 and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting singular shall include plural and vice versa;

1.2.2 reference in the Scheme to "coming into effect of the Scheme" or "effectiveness of the Scheme" shall mean the Effective Date;

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Director / Company Secretary



5 | 26

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9

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

## 2. SHARE CAPITAL.

- 2.1 The Share Capital of Transferor Company as on 31 March 2012 was as under:

	Rs.
AUTHORISED SHARE CAPITAL 25,500,000 Equity Shares of Rs. 10 each Equity Shares of Rs. 10 each	255,000,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL Issued Allotted and Paid up Share Capital:	
10,475,496 Equity Shares of Rs. 10 each fully paid Up	104,754,960

After 31st March, 2012, there has been no change in the Issued, Subscribed and Paid-up Share Capital of the Transferor Company.

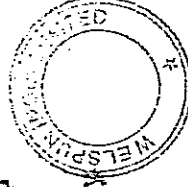
- 2.2 The Share Capital of the "First Transferee Company" as on 31st March, 2012 is as under:

	Rs.
AUTHORISED SHARE CAPITAL 125,000,000 Equity Shares of Rs. 10 each	1,250,000,000
500,000 0% Redeemable Cumulative Preference Shares of Rs.100 each	50,000,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL Issued Allotted and Paid up Share Capital:	
89,012,269 Equity Shares of Rs.10 each fully paid Up;	890,122,690

After 31st March, 2012, there has been no change in the Issued, Subscribed and Paid-up

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6 | 26

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10

Share Capital of the First Transferee Company.

2.3 The Share Capital of the Second Transferee Company as on 31 March 2012

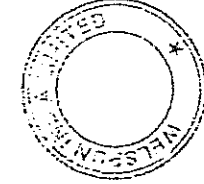
	Rs.
<b>AUTHORISED SHARE CAPITAL</b>	
25,000,000 Equity Shares of Rs. 10 each	250,000,000
1,000,000 8% Redeemable Preference Shares of Rs. 10/- each	10,000,000
14,000,000 0% Redeemable Preference Shares of Rs. 10/- each	140,000,000
Total	400,000,000
<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>	
<b>Issued Allotted and Paid up Share Capital:</b>	
23,529,412 Equity Shares of Rs. 10 each fully paid	235,294,120
Up /-:	
980,392 8% Redeemable Preference Shares of Rs. 10/- each	9,803,920
13,464,800 0% Redeemable Preference Shares of Rs. 10/- each	134,648,000
<b>TOTAL</b>	<b>379,746,040</b>

After 31st March, 2012, there has been no change in the Issued, Subscribed and Paid-up Share Capital of the Second Transferee Company.

PART II - SCHEME OF AMALGAMATION

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE FIRST TRANSFEE COMPANY

3.1 Upon the Scheme being effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the WGBL Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the First Transferee Company as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the First Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the same or any part thereof, provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the First Transferee Company by virtue of the amalgamation and the First Transferee Company shall not be obliged to create any further or additional security therefore after coming into effect of this Scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, the First Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the First Transferee Company shall not be required to create any



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11

additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.

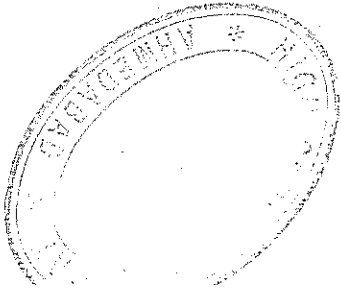
3.2 With respect to the assets of the WGBL Undertaking of the Transferor Company that are movable in nature or are otherwise capable of transfer by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of the First Transferee Company as an integral part of the WGBL Undertaking of the Transferor Company on and from the Appointed Date.

3.3 With respect to the assets of the WGBL Undertaking of the Transferor Company other than those referred to in clause 3.2 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the First Transferee Company on the Effective Date pursuant to the provisions of Section 394 of the Act with effect from the Appointed Date. It is hereby clarified that all the investments made by the Transferor Company and all the rights, title and interests of the Transferor Company in any leasehold properties in relation to the WGBL Undertaking of the Transferor Company shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the First Transferee Company.

3.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copy rights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Company, be transferred to and vested in the First Transferee Company.

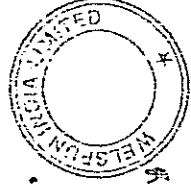
3.5 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Transferor Company is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the First Transferee Company and shall be binding on and be enforceable by and against the First Transferee Company as fully and effectually as if the First Transferee Company had at all material times been a party thereto. Any inter-se contracts between Transferor Company and the First Transferee Company shall stand cancelled and cease to operate in the First Transferee Company from the Appointed Date upon the coming into effect of this Scheme.

3.6 Without prejudice to the other provisions of this scheme and notwithstanding the fact that vesting of the WGBL Undertaking occurs by virtue of this composite scheme itself, First 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 tripartite arrangements with any party to any contract or arrangement to which the First Transferee Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this scheme. First Transferee Company shall under the provisions of Part of this scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.



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For Welspun India Limited  
*[Signature]*  
Director / Company Secretary



3.7

In so far as the various incentives, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, vest with and be available to the First Transferee Company on the same terms and conditions on and from the Effective Date.

3.8

(a) All debts, liabilities, duties and obligations of Transferor Company as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of Transferor Company which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall, become the debts, liabilities, duties and obligations of the First Transferee Company.

(b)

Where any of the liabilities and obligations attributed to Transferor Company on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the First Transferee Company. Where after the Appointed Date, Transferor Company has taken any further loans, liabilities or obligations such further loan shall also be deemed to have been for and on behalf of the First Transferee Company and the First Transferee Company will assume liability for the same.

(c)

Without prejudice to the provision of the foregoing Clauses, and upon the Scheme becoming effective, Transferor Company and the First Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli to give formal effect to the above provisions, if required.

(d)

If and to the extent there are loans, deposits or balances inter se between Transferor Company and the First Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of the First Transferee Company. 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, deposits or balances inter-se between Transferor Company and the First Transferee Company.

(e)

With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between Transferor Company and the First Transferee Company from the Appointed Date.

(f)

Any tax liabilities under the Income-tax Act, 1961, Fringe Benefit Tax laws, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act applicable to any state in which the Transferor Company operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess [hereinafter in this Clause referred to as "Tax Laws"] 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 transferred to the First Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS as on the date immediately preceding the Appointed Date will also be transferred to the

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9 | 26

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13

account of and belong to the First Transferee Company.

(g) Any refund under the Tax Laws due to Transferor Company consequent to the assessment 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 First Transferee Company.

(h) Without prejudice to the generality of the above, all benefits including under income tax, excise (including Cenvat), sales tax (including deferment of sales tax), etc., to which Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the First Transferee Company.

3.9 Upon the coming into effect of this Scheme, all debts, liabilities, duties and obligations of the Transferor Company shall, pursuant to the provisions of Section 394(2) and other applicable provisions of this Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been stand and transferred to and vested in the First Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the First Transferee Company on the same terms and conditions as were applicable to the Transferor Company and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

#### 4. Permits, Consents and Licenses

All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to Transferor Company, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the First Transferee Company so as to become as and from the Appointed Date the estates, assets, rights, title, interests and authorities of the First Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law. Upon the Effective Date and until the Licenses, permit, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded effected and or perfected, in the record of the relevant regulator/authority, in favor of First Transferee Company, the First Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant license and or permit and or approval, as the case may be, and the First Transferee Company shall keep of record and or account of such transactions.

#### 5. Employees

Upon transfer and vesting of WGBL Undertaking in the First Transferee Company taking place, as provided herein, the First Transferee Company undertakes to engage on and from the date on which this Scheme becomes operative all the employees of Transferor Company on the same terms and conditions on which they are engaged by Transferor Company without any interruption of service as a result of the transfer and vesting of WGBL Undertaking unto the First Transferee Company. The First Transferee Company agrees that the services of all such employees with Transferor Company prior to the transfer and

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10 | 26

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14

vesting of WGBL Undertaking unto the First Transferee Company shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing Provident Fund, Gratuity Fund, and Superannuation Fund of which they are members will be transferred to such Provident Fund, Gratuity Fund and Superannuation Funds nominated by the First Transferee Company and/or such new Provident Fund, Gratuity Fund and Superannuation Fund to be established and caused to be recognised by the concerned authorities by the First Transferee Company. Pending the transfer as aforesaid, the Provident Fund, Gratuity Fund and Superannuation Fund dues of the employees would be continued to be deposited in the existing Provident Fund, Gratuity Fund and Superannuation Fund respectively.

#### 6. Legal Proceedings:

- (a) If any suit, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called "*the Proceedings*") by or against Transferor Company be pending on the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the WGBL Undertaking or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the First 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 Transferor Company as if the Scheme had not been made. On and from the Appointed Date, the First Transferee Company shall and may initiate any legal proceeding for and on behalf of Transferor Company.

(b)

The transfer and vesting of WGBL Undertaking under the Scheme and the continuance of the proceedings by or against the First Transferee Company under Clause 6(a) of this Part II hereof shall not affect any transaction or proceeding already completed by the First Transferee Company on and after the Appointed Date and prior to this Scheme becoming effective to the end and intent that the First Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of Transferor Company as acts deeds and things done and executed by and on behalf of the First Transferee Company.

#### 7. Consideration

7.1

Upon the Scheme coming into effect and upon vesting of WGBL Undertaking in the First Transferee Company in terms of the Scheme, and on consideration of the valuation report of Grant Thornton duly approved by the boards of directors of the First Transferee Company and the Transferor Company, the First Transferee Company shall allot to the shareholders of the Transferor Company, whose name is recorded in the register of members of Transferor Company on the Record Date credited as fully paid up, without any further payment be issued and allotted equity shares of the First Transferee Company in the ratio of 1 (one) equity shares of Rs. 10 each credited as fully paid up for every 1 (one) equity shares of Rs 10 each held by such shareholder in the Transferor Company.

The share capital structure of the First Transferee Company post the allotment of shares under clause above shall be as follows:-



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11 | 26

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15

	Rs. In Lakhs
<b>AUTHORISED SHARE CAPITAL</b>	
155,500,000 Equity Shares of Rs. 10 each (aggregating to Rs. 1,55,50,00,000)	15,550.00
<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>	
Issued Allotted and Paid up Share Capital:	
95,427,765 Equity Shares of Rs. 10 each;	9,948.78
Share Premium Account	32,129.35

7.2 Such equity shares to be issued and allotted by the First Transferee Company in terms of clauses 7.1, above shall be subject to the provisions of the Memorandum and Articles of Association of the First Transferee Company and shall rank *pari passu* in all respects with the existing equity shares of the First Transferee Company. It is hereby clarified that the new Equity shares allotted by the First Transferee Company to the shareholders for the Transferor Company pursuant to this Scheme shall not be entitled to any dividend declared, distributed by the First Transferee Company before the Effective Date.

7.3 No fractional shares shall be issued by the First Transferee Company in respect of the fractional entitlements, if any, to which the Equity Shareholders of the Transferor Company may be entitled to under the Scheme and all such fractional entitlements shall be consolidated into whole shares and be allotted to such person, persons or entities (including one or more of the Directors and/or officers of First Transferee Company) as may be nominated by the Board of Directors of First Transferee Company as Trustee(s) for sale thereof at such price as may be approved by such Trustee(s) in this regard and the net proceeds of such sale shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlements.

7.4 Equity Shares of the First Transferee Company issued in terms of clause 7.1 above, shall be listed on the relevant Stock Exchange/s, where the existing Equity Shares of the Transferor Company are listed and the First Transferee Company shall pay the appropriate fee and incur all costs for the same. The First Transferee 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 relevant stock exchanges;

7.5 The new Equity Shares issued pursuant to clause 7.1 above shall be issued in the dematerialized form by the First Transferee Company unless otherwise notified in writing by the shareholders of the Transferor Company to the First Transferee Company on or before such date as may be determined by the Board of Directors of the First Transferee Company or a committee thereof. In the event that such notice has not been received by the First Transferee Company in respect of any of the members of the Transferor Company, the new Equity Shares shall be issued to such shareholders in dematerialized form provided that the members of the Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that the First Transferee Company shall issue and directly credit the demat/ dematerialized securities account of such members of the Transferor



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12 | 26

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16

Companies. In the event that the First Transferee Company has received the notice from any of the shareholders of the Transferor Company that the new Equity Shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then the First Transferee Company shall issue the new Equity Shares in certificate form in such number.

7.6 Unless otherwise determined by the Board of Directors or any Committee thereof of the Transferor Company and the Board of Directors or any Committee thereof of the First Transferee Company, allotment of Shares in terms of Clause 7.1 shall be done within the prescribed statutory period from the Effective Date.

7.7 The equity shares to be issued pursuant to this Scheme by the First Transferee Company in respect of the equity shares of the Transferor Company which are held in abeyance under the provisions of section 206A of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the First Transferee Company;

7.8 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any Committee thereof, of the Transferor Company at the sole discretion shall be empowered in appropriate cases, even subsequent to the Effective Date as the case may be to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of the First Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the First Transferee Company on account of difficulties faced in the transition period.

7.9 The issue and allotment of equity shares by the First Transferee Company to the equity shareholders of the Transferor Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by the First Transferee Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with.

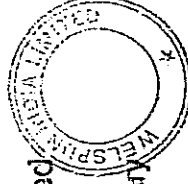
## 8. Capital

8.1 Upon the Scheme being effective, the Authorised Capital of Transferor Company will get merged with that of the First Transferee Company without payment of additional fees and duties as the said fees have already been paid. The Authorised Capital of the First Transferee Company will be increased to that effect by just filing requisite forms and no separate procedure shall be followed under the Act.

8.2 Consequently, the Memorandum & Articles of Association of the First Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to section 17, 31 and 394 and other applicable provisions of the Companies Act, 1956 as set out below:

For Welspun India Limited

Director & Company Secretary

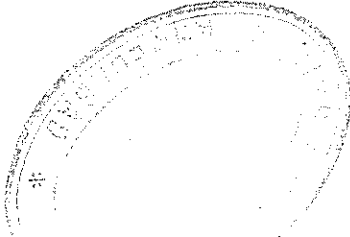


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*S. M. Kulkarni*

ADVOCATE



*P. S. S.*  
*of*

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- (a) The Authorised Share Capital of the First Transferee Company is Rs. 1,55,00,000/- (Rupees One Hundred Fifty Five Crore Fifty Lac Only) divided into 155,50,000 (Fifteen Crore Fifty Five Lac) Equity Shares of Rs. 10/- (Rupees Ten only) each
- (b) Clause 1 of the Memorandum of Association and Article 5 of the Articles of Association of the First Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94, and 394 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:

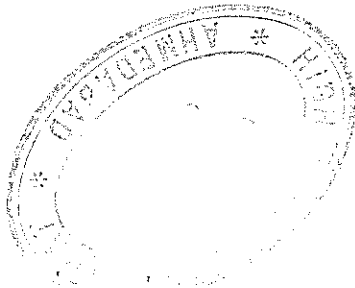
*"The The Authorised Share Capital of the Company is Rs. 1,55,00,000 /- (Rupees One Hundred Fifty Five Crore Fifty Lac Only) divided into 155,50,000 (Fifteen Crore Fifty Five Lac) Equity Shares of Rs. 10/- (Rupees Ten only) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."*

It is clarified that the approval of the members of the First 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 First Transferee Company as required under section 17 and other applicable provisions of the Act.

9. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF FIRST TRANSFeree COMPANY

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

- (a) All the assets and liabilities recorded in the books of the Transferor Company shall stand transferred to and vested in First Transferee Company pursuant to the Scheme and shall be recorded by First Transferee Company at their book values as appearing in the books of the Transferor Company.
- (b) All Statutory Reserves, of the Transferor Company shall be transferred to and vested in First Transferee Company in the same form in which they appear in the books of the Transferor Company.
- (c) The difference, between the consideration in terms of Clause 7.1 above and the value of net assets of Transferor Company shall be credited to Capital Reserve or debited to Goodwill as the case may be.
- (d) If and to the extent there are loans, deposits or balances inter se between the Transferor Company and the First Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of First Transferee Company. For removal of doubts, It is hereby clarified that from the



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For Welspun India Limited

*[Signature]*  
Director / Company Secretary

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ATTORNEY

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Appointed Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between the Transferor Company and the First Transferee Company.

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

10. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR THE TRANSFEEE COMPANY

10.1 With effect from the Appointed Date up to the Effective Date,

- (a) Business of Transferor Company shall be deemed to have carried on and shall carry on the business and activities in ordinary course and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets for and on account of and in trust for the First Transferee Company.
- (b) Transferor Company shall carry on the business and affairs with reasonable diligence and business prudence and shall not without prior consent of the First Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with the said Assets or any part thereof except in the ordinary course of business or vary the terms and conditions of employment of any of its employees in a manner detrimental to their interests, or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date.
- (c) All profits accruing to Transferor Company or losses arising or incurred for the period falling on and after the Appointed Date shall, for all purposes, be treated as the profits or losses, as the case may be of the First Transferee Company and Transferor Company undertakes not to utilise the profits for the purpose of declaring or paying any dividend in respect of the period falling after the Appointed Date.

- (d) All advance tax, tax deduction at source and all other taxes and duties paid by Transferor Company will be deemed to be the tax and/or duty paid by the First Transferee Company.

- (e) Transferor Company shall not, without the prior written consent of the First Transferee Company, undertake any new business or a substantial expansion.

- (f) Transferor Company shall pay all statutory dues (including advance tax) for and on account of the First Transferee Company.

- 10.2 All the income or profits accruing or arising to Transferor Company or expenditure or losses arising or incurred by the Transferor Company in respect thereof, shall for all purposes be treated as the income, profits, expenditure or losses (as the case may be) of the First Transferee Company.

- 10.3 Without prejudice to Clause 10.2 above, with effect from the Appointed Date and upon the



For Welspun India Limited

Director / Company Secretary

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Smt. K. L. Kulkarni  
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Scheme becoming effective, any documents of title/ rights and easements in relation thereto shall stand transferred to and be vested in and/or be deemed to have been transferred and vested in the First Transferee Company and shall belong to the First Transferee Company. With effect from the Appointed Date, the First Transferee Company shall, in relation to such properties, be accountable for all rates, rents and taxes whatsoever. The mutation of the title to the immovable properties shall be made and duly recorded by the Appropriate Authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the First Transferee Company.

#### 11. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming operative, the Transferor Company shall be dissolved without winding up.

#### PART III

#### 12. DIVING OFF OF THE MARKETING DIVISION OF FIRST TRANSFEE COMPANY

##### 12.1

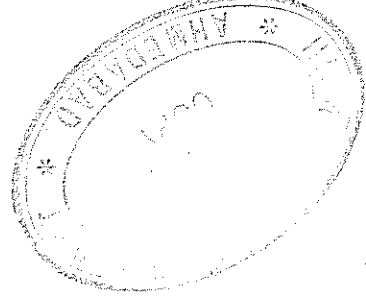
Subject to implementation of Part-II of this Scheme and pursuant to terms of this Scheme with effect from the Appointed Date and subject to terms and conditions herein below and subject to the mode of transfer and vesting, the Marketing Business Undertaking of the First Transferee Company shall, without any further act or approval including approval under section 293 1(a) of the Act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Second Transferee Company as a going concern on a slump sale basis so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Second Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the same or any part thereof, provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the First Transferee Company which shall vest in the Second Transferee Company by virtue of the transfer of the Marketing Business Undertaking of the First Transferee Company shall not be obliged to create any further or additional security therefore after coming into effect of this Scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, the Second Transferee Company to create the security in terms of the issue or arrangement in relation thereto. Similarly, the First Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.

##### 12.2

With respect to the assets of the Marketing Business Undertaking of the First Transferee Company that are movable in nature or are otherwise capable of transfer by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the First Transferee Company, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of the Second Transferee Company as an integral part of the of the Second Transferee Company on and from the Appointed Date.

##### 12.3

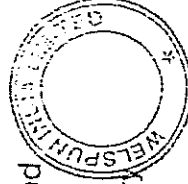
With respect to the assets of the Marketing Business Undertaking of the First Transferee Company other than those referred to in clause 12.2 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Second Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act. It is hereby clarified that all the rights,



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For Welspun India Limited

Director / Company Secretary



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title and interests of the First Transferee Company in any leasehold properties in relation to the Marketing Business Undertaking of the First Transferee Company shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Second Transferee Company.

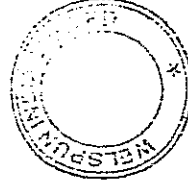
- 12.4 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of the Marketing Business Undertaking of the First Transferee Company, and their rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copy rights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the First Transferee Company for the Marketing Business Undertaking, be transferred to and vested in the Second Transferee Company.

- 12.5 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to Marketing Business Undertaking to which the First Transferee Company is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Second Transferee Company and shall be binding on and be enforceable by and against the Second Transferee Company as fully and effectually as if the Second Transferee Company had at all material times been a party thereto. Any inter-se contracts in relation to Marketing Business Undertaking between First Transferee Company and the Second Transferee Company shall stand cancelled and cease to operate in the First Transferee Company from the Appointed Date upon the coming into effect of this Scheme.

- 12.6 Without prejudice to the other provisions of this scheme and notwithstanding the fact that vesting of the Marketing Business Undertaking occurs by virtue of this scheme itself, the Second 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 tripartite arrangements with any party to any contract or arrangement to which the Second Transferee Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this scheme. Second Transferee Company shall under the provisions of this Part of this scheme, be deemed to be authorized to execute any such writings on behalf of the First Transferee Company to carry out or perform all such formalities or compliances in relation to the Marketing Business Undertaking referred to above on the part of the First Transferee Company to be carried out or performed.

- 12.7 In so far as the various incentives, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Marketing Business Undertaking are concerned, the same shall, without any further act or deed, vest with and be available to the Second Transferee Company on the same terms and conditions on and from the Appointed Date.

- 12.8 (a) All debts, liabilities, duties and obligations of Marketing Business Undertaking as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of Marketing Business Undertaking which may accrue or arise from the Appointed Date but which relate to the period up to the day



For Welspun India Limited

Director/Company Secretary

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SPS/Advocate

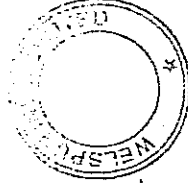
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immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of the Second Transferee Company.

- (b) Where any of the liabilities and obligations attributed to Marketing Business Undertaking on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Second Transferee Company. Where after the Appointed Date, Marketing Business Undertaking has taken any further loans, liabilities or obligations such further loan shall also be deemed to have been for and on behalf of Second Transferee Company and the Second Transferee Company will assume liability for the same.
- (c) Without prejudice to the provision; of the foregoing Clauses, and upon the Scheme becoming effective, First Transferee Company and the Second Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli to give formal effect to the above provisions, if required.
- (d) If and to the extent there are deposits or trade balances inter se between Marketing Business Undertaking and the Second Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, shall be transferred and suitable effect shall be given in the books of both the companies.
- (e) With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between Marketing Business Undertaking and the Second Transferee Company from the Appointed Date.
- (f) Any tax liabilities under the Income-tax Act, 1961, Fringe Benefit Tax laws, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act applicable to any state in which the Marketing Business Undertaking operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cesses[hereinafter in this Clause referred to as "Tax Liws"] 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 transferred to the Second Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to the Second Transferee Company.
- (g) Any refund under the Tax Laws due to Marketing Business Undertaking consequent to the assessment 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 Second Transferee Company.
- (h) Without prejudice to the generality of the above, all benefits including under income tax, excise (including Cenvat), sales tax (including deferment of sales tax), etc., to which Marketing Business Undertaking is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Second Transferee Company.

For Welspun India Limited

Director Company Secretary



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Upon the coming into effect of this Scheme, all debts, liabilities, duties and obligations of the Marketing Business Undertaking shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been stand and transferred to and vested in the Second Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Second Transferee Company on the same terms and conditions as were applicable to the Marketing Business Undertaking and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.

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**Permits, Consents and Licenses**

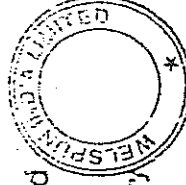
All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the First Transferee Company in respect of the Marketing Business Undertaking, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Second Transferee Company so as to become as and from the Appointed Date the estates, assets, rights, title, interests and authorities of the Second Transferee Company and shall remain valid, effective and enforceable or the same terms and conditions to the extent permissible in law. Upon the Effective Date and until the Licenses, permit, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded effected and or perfected, in the record of the relevant regulator/authority, in favor of Second Transferee Company, the Second Transferee Company is authorized to carry on business in the name and style of the First Transferee Company and under the relevant license and or permit and or approval, as the case may be, and the Second Transferee Company shall keep of record and or account of such transactions.

**Employees**

Upon transfer and vesting of the Marketing Business Undertaking in the Second Transferee Company taking place, as provided herein, the Second Transferee Company undertakes to engage on and from the date on which this Scheme becomes operative all the employees of Marketing Business Undertaking of the First Transferee Company on the same terms and conditions on which they are engaged by the First Transferee Company without any interruption of service as a result of the transfer and vesting of Marketing Business Undertaking unto the Second Transferee Company. The Second Transferee Company agrees that the services of all such employees with the First Transferee Company prior to the transfer and vesting of Marketing Business Undertaking unto the Second Transferee Company shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees of Marketing Business Undertaking in the existing Provident Fund, Gratuity Fund, and Superannuation Fund of which they are members will be transferred to such Provident Fund, Gratuity Fund and Superannuation Funds nominated by the Second Transferee Company and/or such new Provident Fund,

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Director / Company Secretary



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23

Gratuity Fund and Superannuation Fund to be established and caused to be recognised by the concerned authorities by the Second Transferee Company. Pending the transfer as aforesaid, the Provident Fund, Gratuity Fund and Superannuation Fund dues of the employees of Marketing Business Undertaking would be continued to be deposited in the existing Provident Fund, Gratuity Fund and Superannuation Fund respectively.

#### 15. Legal Proceedings

- (a) If any suit, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called "*the Proceedings*") by or against the First Transferee Company in respect of the Marketing Business Undertaking be pending on the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Marketing Business Undertaking or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Second 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 First Transferee Company as if the Scheme had not been made. On and from the Appointed Date, the Second Transferee Company shall and may initiate any legal proceeding for and on behalf of the First Transferee Company with respect to the Marketing Business Undertaking.

- (b) The transfer and vesting of the said assets of Marketing Business Undertaking and the said liabilities of Marketing Business Undertaking under of the Scheme and the continuance of the proceedings by or against the Second Transferee Company under Clause 15 of this Part III hereof shall not affect any transaction or proceeding already completed by the First Transferee Company on and after the Appointed Date and prior to this Scheme becoming effective to the end and intent that the Second Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the First Transferee Company as acts deeds and things done and executed by and on behalf of the Second Transferee Company.

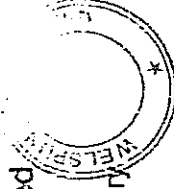
#### 16. Consideration

Upon the Scheme becoming effective and upon the transfer and vesting of the Marketing Business Undertaking in the Second Transferee Company in terms of the Scheme, the Second Transferee Company is required to pay the consideration of Rs 1,050,153,246 towards the Slump Sale consideration based on the book value of Marketing Business Undertaking as on April 1, 2011. The book value considered in the report of Grant Thornton, is arrived on the basis of financials of Marketing Business Undertaking. The said consideration shall be discharged by the Second Transferee Company by issuing 0% Redeemable Preference Shares of Rs 10 each. Accordingly the Second Transferee Company shall issue and allot to the First Transferee Company on Effective Date 1,050,153 0% Redeemable Preference Shares of Rs. 10/- each issued at a premium of Rs 990 ("RPS") of the Second Transferee Company. Simultaneously, with the issue and allotment of the said 1,050,153 0% Redeemable Preference Shares, the Second Transferee Company shall also make cash payment of Rs 246 being the part of the Slump Sale consideration.

- (b) All RPS to be issued and allotted by the Second Transferee Company in terms hereof shall be redeemable at the option of the RPS holder and/or the issuing Second Transferee Company subject to the provisions of the Act.

For Welspun India Limited

Director/Company Secretary



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(c) The RPS to be issued by the Second Transferee Company pursuant to Clause 16 (a) and (b) above shall be issued in dematerialized form by the Second Transferee Company, unless otherwise notified in writing by the First Transferee Company to the Second Transferee Company on or before such date as may be determined by the Board of Directors of the Second Transferee Company or a committee thereof.

(d) For the purposes of this Scheme the First Transferee Company shall draw up a statement of account as on the close of business; immediately prior to the Appointed Date of the said assets of Marketing Business Undertaking and the said liabilities of Marketing Business Undertaking at their respective book values to be transferred and vested in the Second Transferee Company.

17. Capital

In view of the amalgamation and as an integral part of the Scheme, the capital of the Second Transferee Company shall be restructured and increased in the manner set out in 17.1(b) below:

17.1 Upon the Scheme coming into Effect

(a) "The Authorised Share Capital of the Company is Rs. 425,000,000 /- (Rupees Forty Two Crore Fifty Lac Only) divided into 25,000,000 (Two Crore Fifty Lac) Equity Shares of Rs. 10/- (Rupees Ten only) each, 1,000,000 (Ten Lac) 8% Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten only), 14,000,000 (One Crore Forty Lac) 0% Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten only) and 2,500,000 (Twenty Five Lac) 0% Redeemable Preference Shares of Rs 10 each /- (Rupees Ten only)

(b) Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Second Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94, and 394 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs. 425,000,000 /- (Rupees Forty Two Crore Fifty Lac Only) divided into 25,000,000 (Two Crore Fifty Lac) Equity Shares of Rs. 10/- (Rupees Ten only) each, 1,000,000 (Ten Lac) 8% Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten only), 14,000,000 (One Crore Forty Lac) 0% Redeemable Cumulative Preference Shares of Rs. 10/- (Rupees Ten only) and 2,500,000 (Twenty Five Lac) 0% Redeemable Preference Shares of Rs 10 each /- (Rupees Ten only) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."

It is clarified that the approval of the members of the Second 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 Second Transferee Company as required

For Welspun India Limited

Director / Company Secretary

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under section 17 and other applicable provisions of the Act.

18. Accounting Treatment in the Books and Financial Statements:

(a) In the books of the First Transferee Company:

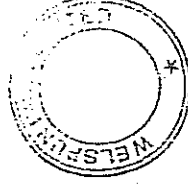
- (i) Upon the coming into effect of this Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Marketing Business Undertaking shall be transferred to the Second Transferee Company at Book Value. In so far as the accounts representing common or multipurpose borrowings are concerned, they shall stand reduced by the amounts transferred to the Second Transferee Company in accordance with the provision of this Scheme.
- (ii) If and to the extent there are deposits or trade balances inter se between Marketing Business Undertaking of the First Transferee Company and the Second Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, be transferred and suitable effect shall be given in the books of the First Transferee Company and the Second Transferee Company.

(b) In the books of the Second Transferee Company:

- (i) The said assets of the Marketing Business Undertaking on the Appointed Date shall be incorporated in the books of the Second Transferee Company at book value as appearing in the First Transferee Company's books on the Appointed Date;
- (ii) The amount of the said liabilities of the Marketing Business Undertaking on the Appointed Date shall be incorporated in the books of the Second Transferee Company at book value as appearing in the books of the First Transferee Company on the Appointed Date;
- (iii) If and to the extent there are deposits or trade balances inter se between Marketing Business Undertaking of the First Transferee Company and the Second Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, be transferred and suitable effect shall be given in the books of the First Transferee Company and the Second Transferee Company.
- (iv) The excess/deficit, if any, of the difference between the said assets of Marketing Business Undertaking and the said liabilities of Marketing Business Undertaking as recorded in the books of the Second Transferee Company over the Consideration hereof shall be credited/debited to capital reserve/goodwill.
- (c) The Board of Directors of the First Transferee Company and the Second Transferee Company, in consultation with their respective Statutory Auditors, are authorized to account for the vesting of Marketing Business Undertaking in the Second Transferee Company as may be deemed fit.

For Welspun India Limited

Director / Company Secretary



22 | 26

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Advocate

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19. Even after this Scheme becomes effective, the Second Transferee Company shall be entitled to operate all Bank Accounts relating to the First Transferee Company in respect of its Marketing Business Undertaking and realise all monies and complete and enforce all pending contracts and transactions in the name of the First Transferee Company in so far as may be necessary until the transfer and vesting of rights and obligations of the Marketing Business Undertaking to the Second Transferee Company under this Scheme is formally effected by the Parties concerned.

#### Part IV

Transfer of shares of the Offshore Subsidiaries of First Transferee Company to Second Transferee Company by the First Transferee Company

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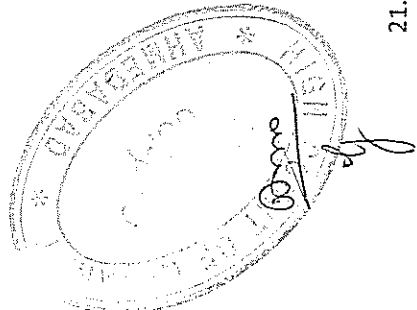
Subject to Implementation of Part III & Part III of the Scheme and subject to applicable rules and regulations framed under the Foreign Exchange Management Act 1999, the First Transferee Company shall without any further act or deed, transfer to the Second Transferee Company: (i) 1,500,000 fully paid up equity shares of USD 0.10 each of WUL, the book value of the said shares being Rs 231,968,178; (ii) 14,000 fully paid up equity shares of GBP 1.00 each of WHPL the book value of the said shares being Rs. 1,040,876,236; and (iii) 370,862 fully paid up equity shares of USD 1.00 each of WML the book value of the said shares being Rs. 16,577,929; held by it TOGETHER WITH all benefits, rights, privileges, advantages and incidentals attached to the respective shares of the respective Offshore Subsidiaries AND FURTHER TOGETHER WITH all the deeds, documents, writings, certificates and other evidence of title relating to the shares, TO HAVE AND TO HOLD all and singular the shares hereby agreed to be transferred, conveyed and assigned or intended or expressed so to be with their and every of their rights, whatsoever unto and to the use and benefit of the Second Transferee Company forever absolutely SUBJECT to the observance by Second Transferee Company of the terms and conditions contained in the charter documents of the respective Offshore Subsidiary companies for an aggregate consideration to be paid by Second Transferee Company to First Transferee Company by issue of 1,339,422 0% Redeemable Preference Shares of Rs. 10 each issued at a premium of Rs. 990 per share. Simultaneously, with the issue and allotment of the said 1,339,422 0% Redeemable Preference Shares, the Second Transferee Company shall also make cash payment of Rs. 343 being the part of the consideration for transfer of shares of the Offshore Subsidiaries.

21.

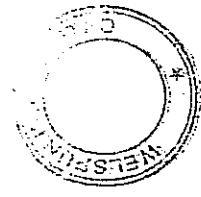
All RPS to be issued and allotted by the Second Transferee Company in terms hereof shall be redeemable at the option of the RPS holder and/or the issuing Second Transferee Company subject to the provisions of the Act.

22.

The RPS to be issued by the Second Transferee Company pursuant to Clause 20 above shall be issued in dematerialized form by the Second Transferee Company, unless otherwise notified in writing by the First Transferee Company to the Second Transferee Company on or before such date as may be determined by the Board of Directors of the Second Transferee Company or a committee thereof.



For Welspun India Limited  
 Director / Company Secretary



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unsecured creditors of the Transferor Company, the First Transferee Company and the Second Transferee Company.

28.3 the sanction of the High Court of Gujarat at Ahmedabad, under Sections 391 to 394 of the said Act, in favour of the Transferor Company, in favour of the First Transferee Company and in favour of Second Transferee Company and to the necessary Order or Orders under Section 394 of the said Act, being obtained.

28.4 The certified copy of the Order of the High Court of Gujarat at Ahmedabad sanctioning the Scheme being filed with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.

28.5 The sanction/consent/no objection being obtained by the Transferor Company from relevant parties or governmental authorities for transfer and vesting of the rights, privileges, obligations, duties, undertakings and covenants of the Transferor Company in favour of the First Transferee Company under any contracts, agreements, undertakings, or arrangements, whether entered into with governmental authorities, statutory bodies or otherwise.

28.6 It is hereby clarified that submission of the Scheme to the High Court and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defenses that the WGBL Undertaking, the First Transferee Company, Second Transferee Company and the Off shore companies have or may have under or pursuant to all appropriate and applicable laws and regulations.

28.7 It is clarified that if any asset (estate, claims, rights, title, interest in or authority relating to such asset) or any contracts, deeds, bonds, agreements, scheme, arrangements or other instruments of whatsoever nature in relation to the Marketing Business Undertaking which the First Transferee Company owns or to which the First Transferee Company is a party and which cannot be transferred to the Second Transferee Company for any reason whatsoever, the First Transferee Company shall hold such assets or contract, deeds, bonds, agreements, scheme, arrangements or other instruments of whatsoever nature in trust for the benefit of the Second Transferee Company to which the Marketing Business Undertaking is being transferred in terms of the Scheme, in so far as, it is permissible so to do, till such time as the transfer is effected.

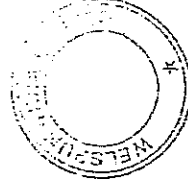
29. The Transferor Company, First Transferee Company and the Second Transferee Company shall, with all reasonable dispatch, make applications to the High Court of Gujarat at Ahmedabad, under section 391 - 394 of the Act, seeking orders for convening, holding and conducting of the meetings of the respective classes of the shareholders and/ or creditors of the Transferee Company and the Transferor Company as may be directed by the High Court of Gujarat.

30. On the Scheme being agreed to by the requisite majorities of the classes of the shareholders and/ or creditors, The Transferor Company, First Transferee Company and the Second Transferee Company shall, with all reasonable dispatch, apply to the High Court of Gujarat at Ahmedabad for sanctioning the Scheme under sections 391 - 394 of the Act, and for such, other order or orders, as the said High Court may deem fit for carrying this Scheme into effect.

31. In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court of Gujarat at Ahmedabad, and/or the Order or Orders not being passed as aforesaid on or before the March 31, 2013 or within such further period or periods as may be agreed upon between the Transferor Company,

For Welspun India Limited

Director & Company Secretary



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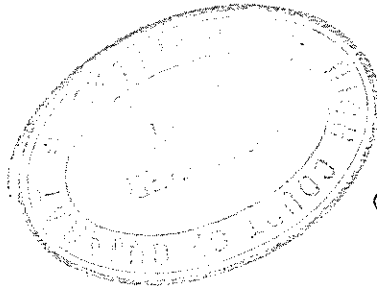
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ADVOCATE

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First Transferee Company and the Second Transferee Company through their respective Boards of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

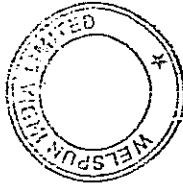
32. All costs, charges and expenses of the Transferor Company and the First Transferee Company or the Second Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the WGBL Undertaking or Marketing Business Undertaking in pursuance of the Scheme shall be borne and paid solely by the First Transferee Company or the Second Transferee Company as the case may be.
33. The issue and allotment of shares by the First Transferee Company to persons resident outside India will be subject to the obtaining of necessary permissions, if any under the provisions of the Foreign Exchange Management Act, 1999 (including any modification or reenactment thereof), as required. Similarly, the transfer of shares of the Offshore Subsidiaries by the First Transferee Company to Second Transferee Company will be subject to the obtaining of necessary permissions, if any under the provisions of the Foreign Exchange Management Act, 1999 (including any modification or reenactment thereof), as required.
34. The Transferor Company and/or the First Transferee Company or the Second Transferee Company acting through their respective Boards of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority/person is unacceptable to any of them.
35. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company or the First Transferee Company or the Second Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.



*[Signature]*

For Welspun India Limited

Director and Company Secretary



TRUE COPY

*[Signature]*

ADVOCATE

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WITNESS BHASKAR BHATTACHARYA ESQUIRE, THE  
CHIEF JUSTICE AT AHMEDABAD AFORESAID THIS 26TH  
DAY OF NOVEMBER, 2012.

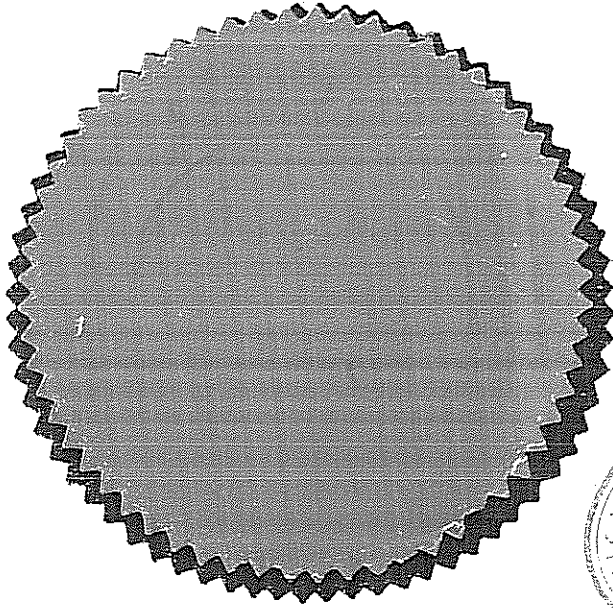
Checked & found correct &  
signed each & every pages.

*[Signature]* 31/12/12  
(A. S. Desai) (A. S. Desai) (G. S. Desai)

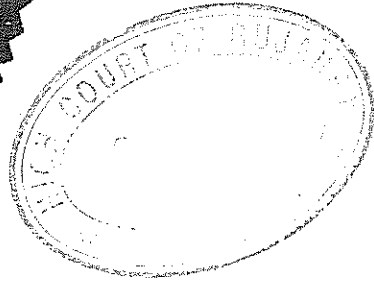
BY ORDER OF THE HON'BLE COURT

*[Signature]*

REGISTRAR (JUDICIAL)  
This 27th day of December 2012



*[Signature]* 07/12/2012  
DY. REGISTRAR & SEALER  
This 07th day of December 2012



TRUE COPY  
*[Signature]*  
ASSISTANT REGISTRAR  
31/12/12 DAY OF 12

ORDER DRAWN BY  
*[Signature]*

SANGEETA PAHWA  
31/12/12 (30.11.2012)  
ADVOCATE FOR THE PETITIONER,  
71, New York Tower 'A',  
7th Floor, Opp. Muktidham Derasar,  
Thaltej Chowkdi, Thaltej,  
Ahmedabad - 45.



**NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD BENCH  
AHMEDABAD**

**CP (CAA) 34 of 2019 in CA(CAA) No. 12/NCLT/AHM/2019**

Coram: **Hon'ble Mr. HARIHAR PRAKASH CHATURVEDI, MEMBER JUDICIAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD BENCH OF THE  
NATIONAL COMPANY LAW TRIBUNAL ON 10.05.2019**

Name of the Companies : Prasert Multiventure Pvt. Ltd.  
Welspun India Pvt. Ltd.

Section of the Companies Act: Section 230-232 of the Companies Act, 2013

S.NO.	NAME (CAPITAL LETTERS)	DESIGNATION	REPRESENTATION	SIGNATURE
1.	MS. Dharmishta Raval	Advocate	Petitioner	Y. Thakore
2.	Mrs. Yuvraj Thakore	Advocate	Petitioner	

**ORDER**

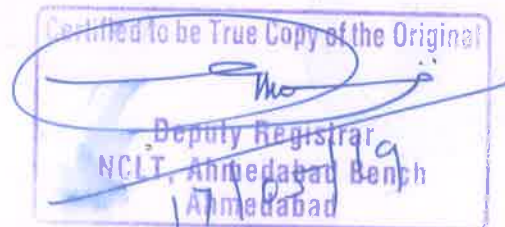
The petitioner is represented through their respective Learned Counsel(s).

The case is fixed for pronouncement of order.

The Order is pronounced in the open court, vide separate sheet.

**HARIHAR PRAKASH CHATURVEDI  
MEMBER (JUDICIAL)**

Dated this the 10<sup>th</sup> day of May, 2019.



**NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD BENCH**

CP(CAA) 34 of 2019 in  
CA(CAA) No. 12/NCLT/AHM/2019

**In the matter of:**

Prasert Multiventure Private Limited  
A Company incorporated under the  
provisions of Companies Act, 2013  
and having its registered address  
at Survey No. 76, Village Morai,  
Vapi, Valsad, Gujarat – 396191

..... Petitioner  
(Transferor Company)

Welspun India Limited  
A Company incorporated under the  
provisions of Companies Act, 1956  
and having its registered office at  
Welspun City, Village Versamedi,  
Anjar Dist., Kutch, Gujarat – 370110

.... Petitioner  
(Transferee Company)

Order delivered on 10<sup>th</sup> May, 2019

**Coram: Hon'ble Mr. Harihar Prakash Chaturvedi, Member (J)**

**Appearance:**

Senior Counsel Mr. Saurabh Soparkar with Ms. Dharmishta N.Raval,  
Advocate with Mr. Yuvraj Thakore Advocate for the Petitioner Companies

**ORDER**

1. This present petition is filed jointly by Prasert Multiventure Private Limited and Welspun India Limited under Sections 230-232 of the Companies Act, 2013 seeking sanction to the proposed Scheme of Amalgamation of Prasert Multiventure Private Limited ("PMPL" or "the Transferor Company") with Welspun India Limited ("WIL" or "the Transferee Company") and their respective shareholders and creditors.
2. The Petitioner Transferee Company is a listed public limited company and the shares are listed on BSE Limited and National Stock Exchange of India Limited. Hence, in terms Regulation 37 of



the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017, it has obtained observation letters from BSE Limited and National Stock Exchange of India Limited which were placed on record along with the application, being CA(CAA) No. 12/230-232/NCLT/AHM/2019.

3. The Petitioner Companies had filed a joint application being CA (CAA) No. 12/230-232/NCLT/AHM/2019 before this Tribunal seeking dispensation of the meetings of Equity Shareholders of the Petitioner Transferor Company and convening, holding and conducting separate meeting of the Equity Shareholders, Secured Creditors (including debenture holders) and Unsecured Creditors of the Petitioner Transferee Company. By an order dated 18<sup>th</sup> January, 2019 made in CA (CAA) No. 12/230-232/NCLT/AHM/2019, this Tribunal directed dispensation of the meeting of Equity Shareholders of the Petitioner Transferor Company and directed convening of separate meetings of the Equity Shareholders, Secured Creditors (including debenture holders) and Unsecured Creditors of the Petitioner Transferee Company.
4. In compliance of the order passed by this Tribunal dated 18<sup>th</sup> January, 2019, a copy of explanatory statement required pursuant to Section 102 of the Act read with Sections 230 to 232 and Rule 6 of the Companies (CAA) Rules, 2016 along with prescribed form of proxy was sent to, the Equity Shareholders of the Petitioner Transferee Company appearing on the records of the Petitioner Transferee Company as on 31<sup>st</sup> December, 2018, to the Secured Creditors (including debenture holders) of the Petitioner Transferee Company appearing on the records of the Petitioner Transferee Company as on 30<sup>th</sup> September, 2018 and to the Unsecured Creditors of the Petitioner Transferee Company appearing on the records of the Petitioner Transferee Company as on 30<sup>th</sup> September, 2018. The notice convening the meeting was also published in English daily 'Financial Express', Ahmedabad



Edition and Gujarati translation thereof in 'Kutch Mitra' on 5<sup>th</sup> February, 2019 and corrigendum in 'Kutch Mitra' on 7<sup>th</sup> February, 2019. The affidavits were filed by the Authorised Person of the Petitioner Transferor Company and by the Chairman of the meeting of the Petitioner Transferee Company on 22<sup>nd</sup> February, 2019 and 27<sup>th</sup> February, 2019 respectively, confirming compliance of the directions. The aforesaid meetings of Equity Shareholders, Secured Creditors (including debenture holders) and Unsecured Creditors were duly convened and held on 8<sup>th</sup> March, 2019 and the Chairman has filed its reports with regard to the result of the said meetings before this Tribunal by way of affidavits on 15<sup>th</sup> March, 2019. On perusal of the same, the Scheme was approved by approximately more than 99% in number and approximately more than 99% in value which is the aggregate requisite majority of the Equity Shareholders, casting their votes either through e voting or casting valid votes at the meeting. Further in terms of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017, votes casted by the public shareholders in favour of the proposal are more than the number of votes casted by the public shareholders against it. Further, the Scheme was approved by, approximately 100% in number and approximately 100% in value of the Secured Creditors of the Petitioner Transferee Company, casting their votes in the meeting and approximately 100% in number and approximately 100% in value Unsecured Creditors of the Petitioner Transferee Company, casting their votes in the meeting.

5. This Tribunal also directed the Petitioner Companies to issue notices in Form No. CAA.3 to (i) the Central Government through the Regional Director, North Western Region; (ii) the Registrar of Companies, Gujarat; (iii) the Income-tax authorities concerned; and (iv) the Official Liquidator stating that representations, if any, to be made within a period of 30 days from the date of receipt of such notice, and in case no representation is received by the Tribunal within the stipulated period of 30 days, it should be presumed that the authorities have no representation to make.





Further, it was also directed to the Petitioner Transferee Company to serve notice to (i) BSE Limited; and (ii) National Stock Exchange of India Limited. In compliance of the directions contained in the order dated 18<sup>th</sup> January, 2019, it is submitted that the Petitioner Companies have served notices to the Central Government through the Regional Director, North Western Region, the Registrar of Companies, Gujarat, the Income-tax authorities concerned and the Official Liquidator. The Petitioner Transferee Company has also served notices to BSE Limited, National Stock Exchange of India Limited and Securities and Exchange Board of India. The Petitioner Transferor Company has filed an affidavit on 22<sup>nd</sup> February, 2019 and the Petitioner Transferee Company has filed an affidavit on 27<sup>th</sup> February, 2019 confirming service of notice on the aforesaid authorities.

6. The Petitioner Companies, jointly filed the present petition being CP (CAA)34 of 2019 before this Tribunal seeking sanction of the Scheme.
7. This Tribunal by its order dated 2<sup>nd</sup> April, 2019, admitted the petition and directed issuance of notice hearing be advertised "Financial Express", and "Kutch Mitra", not less than ten days before the date fixed for hearing, calling for their objections, if any, on or before the date of hearing. This Tribunal also directed to issue notice to Regional Director, Registrar of Companies, Official Liquidator and Income tax informing the date of hearing i.e. 1<sup>st</sup> May, 2019.
8. Pursuant to the aforesaid order dated 2<sup>nd</sup> April, 2019, passed by this Tribunal, the Petitioner Companies filed affidavit of service with this Tribunal on 22<sup>nd</sup> April, 2019 submitting the proof of service of publication and also proof of issue of notice to the Regional Director, Registrar of Companies, Official Liquidator, Income tax, BSE Limited, National Stock Exchange of India Limited and Securities and Exchange Board of India.



9. It is stated by the Petitioner Companies that pursuant to the order dated 2<sup>nd</sup> April, 2019 passed by this Tribunal and issuance of notices to the Regional Director, Registrar of Companies, Income tax, Official Liquidator and on publication of the notices, no response is received.
10. The Petitioner Companies further submitted that apropos to the order dated 18<sup>th</sup> January, 2019, the Regional Director filed his representation dated 8<sup>th</sup> April, 2019 making certain observations.
11. By dealing with the aforesaid representation dated 8<sup>th</sup> April, 2019 of the Regional Director, the Petitioner Companies have filed a reply affidavit dated 26<sup>th</sup> April, 2019 giving their response to all the observations made by the Regional Director and has stated as under;
  - i. With reference to paragraph 2(a), 2(b) and 2(d) of the RD representation, the contents thereof do not require any comments.
  - ii. With reference to paragraph 2(c) of the RD representation, the Petitioner Transferee Company undertakes to pay such difference amount of fees as due and payable on account of enhanced Authorised Capital and undertakes to comply with the provisions of Section 232(3)(i) of the Companies Act, 2013.
  - iii. With reference to paragraph 2(e) of the RD representation which deals with compliances with SEBI circulars, the Petitioner Transferee Company confirms that it has complied with the SEBI circular issued on 10.03.2017 and also with the directions conveyed by BSE and NSE in their respective letters.
  - iv. With reference to paragraph 2(f) of the RD representation, the Petitioner Transferee Company submits that all the shareholders of the Petitioner Transferor Company are



residents and, no shares are proposed to be issued to any Foreign National / NRI / Foreign Bodies Corporate pursuant to the scheme and hence the provisions of RBI / FEMA do not apply. Without prejudice to the above, the Petitioner submits that it will comply with the applicable FEMA and RBI guidelines, if any, in connection with the scheme of amalgamation.

- v. With reference to paragraph 2(g) of the RD representation, the Petitioner Transferee Company states the disclosure in the financials pertains to some class action suits filed in USA in FY 2016-2017 against the Petitioner Transferee Company and its subsidiary, Welspun USA Inc. by certain consumers who purchased the products manufactured by the Petitioner Transferee Company. The central allegation in these suits was that certain products made by the Petitioner Transferee Company were not "100% Egyptian Cotton". The Petitioner Transferee Company further submits that the proceedings are in a preliminary stage and it cannot be determined at present whether the consolidated putative class action suit will be permitted to proceed as a class action and therefore the monetary impact, if any, of the final outcome of the law suit is currently un-ascertainable. Without prejudice to the above, the Petitioner Transferee Company further submits that the present Scheme will not in any way impact the continuity of these putative class action proceedings, which will continue unaffected against the Petitioner Transferee Company.
- vi. With reference to paragraph 2(h) of the RD representation, the Petitioner Companies undertake to pay such legal fees as is quantified by this Hon'ble Tribunal.

12. The Petitioner Companies further submitted that apropos to the order dated 18<sup>th</sup> January, 2019, Official Liquidator has filed his representation dated 8<sup>th</sup> April, 2019.



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13. The Official Liquidator in his representation has sought the following directions:

- i. That, the Bench of National Company Law Tribunal may be pleased to direct the transferor Company to preserve its books of accounts, papers and records and shall not be disposed of without prior permission of Central Government as per the provision of Section 239 of the Companies Act, 2013.
- ii. That, the Bench of National Company Law Tribunal may be pleased to direct the transferor Company to ensure statutory compliance of all applicable laws and also on sanctioning of the present Scheme, the applicant Company shall not be absolved from any of its statutory liability, in any manner.
- iii. That, Tribunal may direct the companies involved in the scheme to comply with Rule 17(2) of Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 with respect to filing of order if any for confirmation of the scheme in Form No.-28 with the Registrar of Companies having jurisdiction over the transferee and transferor Companies respectively.
- iv. That, the Official Liquidator most respectfully submits that the related office expenses of the office of Official Liquidator for submitting this report is Rs.10,000/- approximately. Therefore, this Bench may be pleased to direct the transferor Company to pay such cost to the office of Official Liquidator or any other amount as may be considered appropriate by this Bench.

14. In response to the representation of the Official Liquidator, the Petitioner Transferor Company, by way of a reply affidavit filed by the Authorised Representative of the Petitioner Transferor Company on 26<sup>th</sup> April, 2019, has given their response to all the observations made by the Official Liquidator.





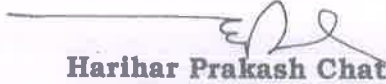
- i. With reference to clause 1 to 24 and clause 27 and clause 29 of the OL report, the contents thereof do not require any comments.
  - ii. With reference to clause 25 of the OL report, the Petitioner Transferor Company undertakes to preserve its books of accounts, papers and records and it shall not dispose off without prior approval of the Central Government as per Section 239 of the Companies Act.
  - iii. With reference to clause 26 of the OL report, the Petitioner Transferor Company shall ensure statutory compliance of all the applicable laws and on the sanction of the Scheme, it shall not be absolved from any statutory liability, in any manner.
  - iv. With reference to clause 28 of the OL report, the Petitioner Transferor Company undertakes to comply with the provisions of Rule 17(2) of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.
  - v. With reference to clause 30 of the OL report, it is submitted that the Petitioner Transferor Company shall pay related office expenses of the office of the Official Liquidator as may be considered appropriate by the Hon'ble Tribunal.
15. With reference to Para 24 of the OL Report, the Transferee Company has submitted that the Scheme shall be implemented keeping in mind the interest of Secured Creditors and the Shareholders.
16. Heard Senior Counsel Mr. Saurabh Soparkar with learned Advocate, Ms. Dharmista Raval with Mr. Yuvraj Thakore, Advocates, for the Petitioner Companies and by considering the entire facts and circumstances of the case and on perusal of the Scheme and the documents produced on record, it appears that the requirements of the provisions of Sections 230 and 232 of the Companies Act, 2013 are satisfied. The Scheme appears to be genuine and bonafide and in the interest of its shareholders and creditors.

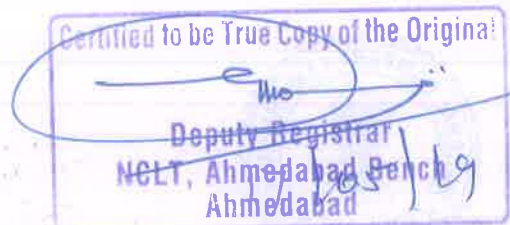


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17. Accordingly, the present company petition is allowed. The Scheme of Amalgamation, which is at Annexure F to the joint petition, is hereby sanctioned and it is declared that the same shall be binding on the Petitioner Companies, namely, Prasert Multiventure Private Limited and Welspun India Limited, their shareholders and creditors, and all concerned under the Scheme. The Petitioner Transferor Company viz. Prasert Multiventure Private Limited shall stand dissolved without winding up.
18. It is further ordered that the Petitioner Companies shall comply with Rule 17(2) of Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 with respect to filing of order, if any, for confirmation of the Scheme in Form INC-28 with the Registrar of Companies, Gujarat.
19. Fees of Regional Director is quantified as Rs.25,000/-in respect of each of the Petitioner Companies and the fees of the Official Liquidator is quantified at Rs.10,000/-in respect of the Petitioner Transferor Company. The said fees shall be paid by the Petitioner Transferor Company in terms of the present company Scheme of Amalgamation.
20. Filing and issuance of drawn up orders are dispensed with. All concerned authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the certified copy of this order along with the Scheme immediately.
21. This Company Petition is accordingly disposed of.



  
**Harihar Prakash Chaturvedi**  
Member (Judicial)



Date of pronouncement of Order: 10/05/19  
Date on which application for Certified Copy was made: 14/05/19  
Date on which Certified Copy was ready: 17/05/19  
Date on which Certified Copy delivered: 17/05/19