

**SCHEME OF ARRANGEMENT**

**UNDER SECTION 391 TO 394, 78 READ WITH SECTION 100 TO 105**

**AND**

**OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956**

**BETWEEN**

**RT EXPORTS LIMITED (the demerged Company)**

**AND**

**ASIAN WAREHOUSING PRIVATE LIMITED (the resulting company)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**1. PREAMBLE:**

This Composite Scheme of Arrangement (“the Scheme”) is presented under Section 391 to 394 and Section 78, 100 to 105 and other applicable provisions of the Companies Act, 1956 for the demerger and transfer and vesting of the Warehousing Business of RT EXPORTS LIMITED into ASIAN WAREHOUSING PRIVATE LIMITED on a going concern basis;

**2. PARTS OF THE SCHEME**

The Scheme is divided into following parts:

- (a) Parts A deals with the Introduction and definitions;
- (b) Part B deals with the Demerger of Warehousing Business from RT EXPORTS LIMITED into ASIAN WAREHOUSING PRIVATE LIMITED;
- (c) Part C deals with the Utilisation of Reserves and Surplus.
- (d) Part D deals with the General Terms and Conditions

## PART A

### DEFINITIONS

#### 3. DEFINITIONS:

3.1 In this Scheme, unless repugnant to the context, the following expressions shall have the following meanings :

3.2 “Act” or “The Act” means the Companies Act, 1956, or any statutory modifications, amendments or re-enactment thereof from time to time;

3.3 The "Appointed Date" means the 1<sup>st</sup> day of April, 2012 or such other date as the High court may direct.

3.4 “**Board of Directors**” or “**Board**” in relation to each of the Demerged Company and the Resultant Company, as the case may be, means the board of directors of such companies, and shall include a committee duly constituted and authorized for the purposes of matters pertaining to the Demerger, the Scheme and / or any other matter relating thereto;

3.5 The "Effective Date" means the date on which certified copies of the High Court's Orders sanctioning the Composite Scheme of Arrangement are filed with the Registrar of Companies, Maharashtra.

3.6 The "Scheme" or “the Scheme” or “this Scheme” means this Composite Scheme of Arrangement in its present form or with any modification(s) made under clause 20 of this scheme as approved or directed by the Hon’ble High Court of Bombay or any other appropriate authority.

3.7 “The Transferor Company” or “the Demerged Company” or “RTEL” means RT EXPORTS LIMITED a Company incorporated under the Companies Act, 1956 having its registered office at 508, Dalamal House, Jammalal Bajaj Road, Nariman Point, Mumbai – 400 021.

3.8 “The Transferee Company” or “the Resultant Company” or “WAREHOUSE” or “AWPL” means ASIAN WAREHOUSING PRIVATE LIMITED a Company incorporated under the Companies Act, 1956 and having its registered office at 508, Dalamal House, Jammalal Bajaj Road, Nariman Point, Mumbai – 400 021.

3.9 “Record Date” means the date to be fixed by the Board of Directors of the RTEL for the purpose of issue and allotment of shares by WAREHOUSE to the Shareholders of the RTEL in terms of this Scheme;

3.10 “Warehousing Business” means the undertaking of RTEL engaged in the business of Warehousing and includes;

3.10.1 All assets and liabilities pertaining to the Warehousing Business of RTEL;

3.10.2 Without prejudice to the generality of the provisions of sub-clause 3.10.1 above, the Warehousing Business shall include, in particular;

- (i) The whole of the undertaking of Warehousing Business of RTEL, as a going concern, including all debts, liabilities, duties, obligations and provisions;
- (ii) All assets and properties, whether movable or immovable, Intellectual Property Rights (I.P.R's) real or personal, in possession or reversion, leasehold land, factory shed, buildings, corporeal or incorporeal,

tangible or intangible, present or contingent 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 or enjoyed by the Warehousing Business of RTEL such as industrial and other licenses, permits, quotas, approvals, import entitlements, excise license and registrations, lease, tenancy rights in relation to office or residential properties, permissions, investments, buildings, current assets, all deposits including security deposits, inventories/ stocks, funds, plants and machinery, electrical installation, office equipment, Xerox equipment, Air-conditioning plant, offices, capital work-in-progress, furniture, fixtures, computers, appliances, accessories, vehicles, incentives, if any, and all other rights, title, interest, labels and brand registrations, trademarks, patents and copyrights, technical know-how, trade names and other industrial or intellectual property rights of any nature whatsoever, contracts, agreements, consent, approvals or powers of every kind nature and description:

- (iii) All permits, quotas, rights, entitlements, licenses including factory licenses, industrial licenses, leases, hire purchase arrangements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, registrations, subsidies, concessions, exemptions, remissions, tax deferrals, tenancies in relation to office, bank accounts, lease rights, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities,

electricity and other services, provisions, funds, benefits of all other interests in connection with or relating to the Warehousing Business of RTEL; and

- (iv) All records, files, papers, engineering and process information, computer programs, 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 form or electronic form in connection with or relating to the Warehousing Business of RTEL.

3.10.3 For the purpose of this Scheme, it is clarified that liabilities pertaining to the Warehousing Business of RTEL are:

- (a) The liabilities which arise out of the activities or operations of the Warehousing Business of RTEL.
- (b) Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Warehousing Business of RTEL; and
- (c) Liabilities other than those referred to in sub- clauses (a) and (b) above, if any, being the amounts of general or multipurpose borrowings of RTEL prior to the Appointment Date, allocated to the Warehousing Business of RTEL in the same proportion in which the book value of the assets transferred under this Scheme bear to the total value of the assets of RTEL on the Appointed Date.

3.10.4 All employees of RTEL employed in the Warehousing Business of RTEL, as identified by the Board of Directors of RTEL, as on the Effective Date.

3.10.5 Any question that may arise as to whether a specific assets or liabilities pertains or does not pertain to the Warehousing Business of RTEL or whether it arises out of the activities or operations of the Warehousing Business of RTEL shall be decided by mutual agreement between the Boards of Directors of RTEL and WAREHOUSING.

3.11 “Remaining Business” means such business of RTEL after demerger of the Warehousing Business of RTEL (as defined in Clauses 3.10) and will consist of the properties, assets and liabilities of the business other than the Warehouse Business of RTEL.

3.12 “High Court” means the High Court of Judicature at Bombay.

3.13 “TRIBUNAL” means National Law Tribunal.

3.14 “**Demerger**” means the transfer by way of demerger of the demerged undertaking to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company as set out in the scheme.

#### **4. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification (s) and amendment(s) made under clause 20 of the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

#### **5. SHARE CAPITAL**

5.1 The Authorized, Issued, Subscribed and Paid up Share Capital of the RTEL and the WAREHOUSE are as stated below:

Details of Capital of the RTEL as on 1<sup>st</sup> April, 2012 are as under:

<b>Authorized Share Capital</b>	<b>Amount in Rs.</b>
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1,70,00,000 Equity Shares of Rs. 10/- each	17,00,00,000
19,00,000 Preference Shares of Rs. 100/- each	19,00,00,000
<b>TOTAL</b>	<b>36,00,00,000</b>
<b>Issued Subscribed &amp; Paid Up Share Capital</b>	
43,59,000 Equity Shares of Rs. 10/- each fully paid up	4,35,90,000
7,00,000 9% Cumulative Preference Shares of Rs. 100/- each fully paid up	7,00,00,000
7,95,415 6% Non Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up	7,95,41,500
<b>TOTAL</b>	<b>19,31,31,500</b>

There is no change in the share capital since then.

5.3 Details of Capital of the AWPL as on the date of incorporation (i.e. May 8, 2012) is as under :

<b>Authorized Share Capital</b>	<b>Amount in Rs.</b>
10,000 equity shares of Rs. 10/- each	1,00,000
<b>Issued Subscribed &amp; Paid Up Share Capital</b>	
10,000 equity shares of Rs. 10/- each fully paid.	1,00,000

There is no change in the share capital since then.

**PART B - DEMERGER OF WAREHOUSING BUSINESS OF**

**RTEL INTO WAREHOUSE**

**6. TRANSFERS AND VESTING OF WAREHOUSING BUSINESS**

6.1 The Warehousing Business of RTEL, as defined in Clause 3.10 shall stand transferred to and vested in or deemed to be transferred to and vested in WAREHOUSE, as a going concern, in accordance with Section 2 (19AA) of the Income Tax Act, 1961 and in the following manner:

6.2 With effect from the Appointed Date, the Warehousing Business of RTEL shall, under the provisions of Section 391 to 394 and all other applicable provisions, if any, of the Act, without any further Act or deed, stand transferred to and vested in and/or deemed to be transferred to and vested in WAREHOUSE, so as to vest in WAREHOUSE all the rights, title and interest pertaining to the Warehousing Business of RTEL.

6.3 The entire Warehousing Business of RTEL as a going concern along with liabilities and all the properties whether moveable or immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, fixed assets, work-in-progress, current assets, investments, reserves, provisions, funds, quota rights, import quotas, licenses, registrations, patents, trade names, copyrights, trademarks and other industrial rights and licenses in respect thereof, leases, tenancy rights, flats, telephones, telexes, facsimile connections, e-mail connections, internet connections, installations and utilities, benefits of agreements and arrangements, powers, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements and all the rights,



titles, interests, benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Warehousing Business of RTEL as on the Effective Date shall be transferred to and vested in or deemed to be transferred to and vested in WAREHOUSE in the following manner :

- (a) With effect from the Appointed Date the whole of the properties, as aforesaid, of Warehousing Business of RTEL (except for the portions specified in Clause 6.3(b) and Clause 6.3(c) below of whatsoever nature and wheresoever situated and capable of being and passing by manual delivery and/or endorsement or otherwise howsoever) shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any of the Act, without any further act or deed be transferred to and vested in and/or be deemed to be transferred to and vested in WAREHOUSE so as to vest in WAREHOUSE the right title and interest of RTEL therein.
  
- (b) All the movable assets including cash in hand, if any, of Warehousing Business of RTEL, capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed and delivered as the case may be to 'WAREHOUSE' to the end and intent that the property therein passes to RTEL, on such delivery or endorsement and delivery. Such delivery and transfer shall be made on a date mutually agreed upon between the Board of Directors of RTEL and the Board of Directors of 'WAREHOUSE' within thirty days from the date of the last of Orders of the Hon'ble Court sanctioning the Scheme of Amalgamation specified herein under sections 391 to 394 and Section 78, 100 to 105 of the Act.

(c) In respect of the movable properties other than specified in Clause 6.3(b) above including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi Government, local and other authorities and bodies, the following modus operandi shall, to the extent possible, be followed :-

(i) WAREHOUSE shall give notice in such form as it may deem fit and proper, to each person, debtor or depositor, as the case may be, that pursuant to the Hon'ble Court having sanctioned the Scheme, the said debt, loan, advance or deposit be paid or made good or held on account of WAREHOUSE as the person entitled thereto to the end and intent that the right of the Warehousing Business of RTEL to recover or realize all such debts (including the debts payable by such person or deposited to the Warehousing Business of RTEL) stands transferred and assigned to RTEL and that appropriate entries should be passed in its books to record the aforesaid change.

(ii) RTEL shall also give notices in such form as it may deem fit and proper to each person, debtor or depositor of the Warehousing Business of RTEL, that pursuant to the Hon'ble Court having sanctioned the Scheme, the said debt, loan, advance or deposit shall be paid or made good or held on account of WAREHOUSE and that thereafter the right of RTEL to recover or realize the same stands extinguished.

(d) If and to the extent there are inter corporate loans, Investments or balances between Warehousing Business of RTEL and 'WAREHOUSE', the obligations in respect thereof shall, on and from the Appointed Date, come to an end and corresponding suitable effect be given in the books of accounts and records of WAREHOUSE and RTEL. For removal of doubts it is hereby clarified that there would be no accrual of interest or other charges in respect of any such inter company loans or balances between RTEL and the Warehousing Business of RTEL from the Appointed date.

6.4 With effect from the Appointed Date, all debts, liabilities, duties, obligations of every kind, nature and description of RTEL relating to the Warehousing Business shall, without any further act or deed be and stand transferred to WAREHOUSE 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 liabilities have arisen in order to give effect to the provisions of this sub-clause. After the Effective Date, WAREHOUSE undertakes to meet, discharge and satisfy the said liabilities to the exclusion of WAREHOUSE and to keep RTEL indemnified at all times from and against all such liabilities and from and against all actions, demands and proceedings in respect thereto.

6.5 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory license, permission or approvals or consents, held by RTEL required to carry on operations in the Warehousing Business shall stand transferred to WAREHOUSE without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of WAREHOUSE. The benefit of all statutory and regulatory permissions,

environmental approvals and consents, registration or other licenses and consent shall vest in and become available to WAREHOUSE pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government Body, local authority or by any other person, or availed of by RTEL relating to the warehousing Business, are concerned, the same shall vest with and be available to WAREHOUSE on the same terms and conditions.

## **7 ISSUE OF SHARES**

7.1 Upon this scheme becoming operative and upon vesting of the Warehousing Business of RTEL in WAREHOUSE in terms of this Scheme, WAREHOUSE shall without any further application or deed, issue and allot 0.80 Equity Shares of the face value of Rs. 10/- each (Rupees Ten each) credited as fully paid-up to all equity shareholders of RTEL and whose name appears in the Register of members of RTEL on the Record Date, in respect of every 1(One) equity Shares of the face value of Rs. 10/- fully paid up.

7.2 The equity shares in WAREHOUSE to be issued to the shareholders of RTEL pursuant to Clause 7.1 above shall be subject to the Memorandum and Articles of Association of 'WAREHOUSE' and shall rank pari passu with the existing equity shares of WAREHOUSE, save and except in relation to dividend to which they will be entitled proportionately from the Appointed Date.

7.3 In the event that the aggregate number of equity shares to be issued by AWPL to all the shareholders of RTEL results in a fraction of share, the Board of Directors of AWPL shall round-off such fraction to the nearest whole number, and thereupon shall issue and allot equity shares. Provided, however, fractional entitlements of individual shareholders, based on the share exchange ratio

prescribed in Clause 7.1 above shall not be entitled to be rounded off and the Board of Directors of AWPL shall be entitled to devise a mechanism to deal with the fractional entitlements, including but not limited to, by way of allotting all such fractional entitlements (cumulatively) to one of its Directors, who shall hold the same as a trustee for and on behalf of such shareholders of RTEL, and shall dispose off the same and distribute the proceeds thereof subject to withholding of Tax, if any to such shareholders in proportion to and in lieu of their respective fractional entitlements.

7.4 The issue and allotment of equity shares by WAREHOUSE to the shareholders of RTEL as provided in the Scheme is the integral part thereof and shall be deemed to have been carried out 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.

7.5 WAREHOUSE shall, to the extent required, increase its Authorized Share Capital in order to issue Equity Shares under this Scheme.

7.6 WAREHOUSE shall, convert itself into a Public Limited Company, in order to facilitate listing of its Equity Shares on the Stock Exchange under this scheme.

7.7 The new Equity Shares of WAREHOUSE shall be listed on all the stock exchanges on which the shares of RTEL are listed as on the Effective Date.

7.8 The shares of WAREHOUSE, will be frozen in dematerialized form for listing and trading on respective stock exchanges pending permissions for the same from the respective stock exchanges.

The equity shareholders of RTEL whose demat account details may be available with either of RTEL and/or with AWPL, or who may provide such details to AWPL on or before such date as may be determined by the Board of Directors of AWPL in this regard, shall be issued the equity shares of AWPL (as they may be

entitled to pursuant to this Scheme) in the dematerialized form, and the remaining equity shareholders of RTEL shall be issued physical equity share certificates with regard to the equity shares of AWPL as they may be entitled to pursuant to this Scheme.

Such physical equity share certificates (if any) shall be sent by AWPL to the equity shareholders of RTEL at their respective registered addresses, as appearing in the register of members maintained by RTEL as of Record Date with respect to their respective shareholders (or in the case of joint shareholders - to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and AWPL shall not be responsible for any loss in transit.

7.9 Pursuant to this scheme, WAREHOUSE in order to comply with the intent of maintaining the similar shareholding pattern as of the RTEL by taking into consideration the approved SWAP RATIO's, any Initial Paid up capital which was meant for incorporation of the company shall be reduced/cancelled to the extent of said initial paid up capital, after the vesting of the equity capital of the Demerged Undertaking with it for the proper accounting treatment of the same, to pay off share capital that is in excess of the wants of the company under section 78, 100 to 105 of the Act.

7.10 The WAREHOUSE shall not be required to add word "and reduced" as part of the corporate name as reduction/ reorganization is a part of this scheme. The order of the court sanctioning the scheme shall be deemed to be an order under Section 102 of the Companies Act 1956 confirming the reduction.

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

8.1 For the purposes of the Scheme, the WAREHOUSE shall draw up a

statement of account following the pooling of interest method of accounting as on the Appointed Date relating to the assets and liabilities of the Warehousing Business transferred to and vested into the WAREHOUSE at its book values, as more particularly specified in clauses 8.2 to 8.5.

8.2 Upon the coming into the effect of this scheme and with effect from the Appointed Date, the assets of the Warehousing Business of RTEL shall be accounted and dealt with in the books of the WAREHOUSE, at the book values of these assets in the books of RTEL. Upon the coming into the effect of this scheme and with effect from the Appointed Date, the liabilities of the Warehousing Business of RTEL shall be accounted and dealt with in the books of the WAREHOUSE, at the book values of these liabilities in the books of RTEL. The assets and liabilities of the Warehousing Business shall be accounted for in the books of WAREHOUSE at these values in accordance with the provisions of the relevant Accounting Standard of the Institute of Chartered Accountants of India.

8.3 WAREHOUSE shall credit to the Share Capital Account in its books of Account, the aggregate face value of the Equity Shares of WAREHOUSE issued and allotted by it to the Equity Shareholders of RTEL pursuant to this Scheme.

8.4 The inter-company balance between WAREHOUSE and Warehousing Business of RTEL, if any, will be cancelled.

8.5 The difference between the face value of Equity Shares allotted and the value of net assets of Warehousing Business of RTEL shall be credited by WAREHOUSE to the Capital Reserve Account or will be adjusted against Capital Reserve or any

other Reserves and balance remaining un-adjusted , if any, will be considered to be Goodwill and as such will be amortized over a period of time.

## **9 ACCOUNTING TREATMENT IN THE BOOKS OF RTEL**

The difference between the amounts of assets over the amount of liabilities, of the Warehouse Division so transferred to the Resulting Company, shall be charged, to the General Reserve or any other reserve including Profit and Loss account to the extent available and the balance, if any, in the books of the Demerged Company. Further accounting treatment is as per clause 17.

## **10 CONDUCT OF BUSINESS BY RTEL TILL EFFECTIVE DATE**

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

- a) RTEL shall be deemed to have been carrying on and shall carry on its business and activities of Warehousing Business and shall be deemed to have and stood possessed of and shall hold and stand possessed of the assets pertaining to the Warehousing Business, for and on account of and in trust for WAREHOUSE. RTEL hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- b) RTEL shall carry on the business and activities of Warehousing Business with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of WAREHOUSE alienate, charge, mortgage, encumber or otherwise deal with or dispose off its Warehousing Business or part thereof.
- c) All the profits or income accruing or arising to RTEL or expenditure or losses arising or incurred or suffered by RTEL pertaining to the Warehousing Business shall for all purposes be treated and be deemed to be and accrue as



the income or profits or losses or expenditure as the case may be of WAREHOUSE.

- d) RTEL shall not vary the terms and conditions of employment of any of the employees engaged in and for the Warehousing Business except in the ordinary course of business or without the prior consent of WAREHOUSE or pursuant to any pre-existing obligation undertaken by RTEL as the case may be, prior to the Appointed Date.
- e) RTEL shall not, without the written consent of WAREHOUSE, undertake any new Warehousing Business.

10.2 WAREHOUSE shall be entitled, pending the sanction of the Scheme, to apply to the Central/ State Government, Union Territories, and all other agencies, departments and authorities (statutory or otherwise) concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which WAREHOUSE may require to own and to operate the Warehousing Business.

## **11 PROFITS, DIVIDEND, BONUS/RIGHT SHARES**

11.1 RTEL shall not utilize profits, if, any of the Warehousing Business for any purpose including declaring or paying any dividend in respect of the period falling on and after the Appointed Date. RTEL shall also not utilize profits, adjust or claim adjustment of the profits/loss as the case may be earned/incurred or suffered in respect of the Warehousing Business after the Appointed Date.

11.2 Until the Effective Date, RTEL shall not issue or allot any further equity shares either rights or bonus or otherwise without prior consent of WAREHOUSE

## **12. EMPLOYEES OF WAREHOUSE BUSINESS**

12.1 On the Scheme becoming effective all the employees of RTEL in respect of the Warehousing Business, as may be identified by the Board of Directors of RTEL

shall become the employees of WAREHOUSE, without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date. WAREHOUSE further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with WAREHOUSE in respect of the Warehousing Business, shall also be taken into account. WAREHOUSE undertakes to continue to abide by the terms of agreement/ settlement entered into by RTEL in respect of the Warehousing Business with employees' union/ employee or associations of RTEL in respect of the Warehousing Business.

12.2 The accounts/ funds of the employees whose services are transferred under clause 12.1 above, relating to superannuation, provident fund and gratuity fund shall be identified, determined and transferred to the respective Trust/ Funds of WAREHOUSE and such employees shall be deemed to have become members of such Trusts/ Funds of WAREHOUSE in respect of the WAREHOUSE business of RTEL.

### **13. LEGAL PROCEEDINGS**

13.1 All legal proceedings of whatsoever nature by or against RTEL in respect of the Warehousing Business pending on and/or arising after at the Appointed Date, as and from the Effective Date shall not abate or be continued or be in any way prejudicially affected by reason of the Scheme of Arrangement or by anything contained in this Scheme but shall be continued and enforced by or against WAREHOUSE in the manner and to the same extent as would or might have been continued and enforced by or against RTEL.

13.2 After the Appointed date, if any proceedings are taken against RTEL in respect of the

Warehousing Business, it shall prosecute or defend the same, as the case may be, at the cost of WAREHOUSE, and WAREHOUSE shall reimburse and indemnify RTEL against all liabilities and obligations incurred by RTEL in respect thereof.

13.3 WAREHOUSE undertakes to have all legal or other proceedings initiated by or against RTEL referred to in clause 13.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against WAREHOUSE to the exclusion of RTEL.

#### **14 CONTRACTS, DEEDS, etc.**

14.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature relating to the Warehousing Business and to which RTEL is party and subsisting or having effect on the Effective date, shall be in full force and effect against or in favour of WAREHOUSE, as the case may be, and may be enforced by or against WAREHOUSE as fully and effectually as if, instead of RTEL, had been a party thereto.

14.2 WAREHOUSE shall enter into and / or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which RTEL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. WAREHOUSE shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of RTEL and to implement or carry out all formalities required on the part of RTEL to give effect to the provisions of this Scheme.

#### **15 SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 6 above and the continuance of

proceedings by or against RTEL under clause 13 above shall not affect any transaction or proceedings already concluded by RTEL on or after the Appointed Date, till the effective, to the end and intent that WAREHOUSE accepts and adopts all acts, deeds and things done and executed by RTEL in respect thereto as done and executed on behalf of WAREHOUSE.

## **16 REMAINING BUSINESS**

The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by RTEL.

### **PART C- UTILISATION OF RESERVES AND SURPLUS OF RTEL**

## **17 UTILISATION OF RESERVES AND SURPLUS**

As an integral part of this Scheme and upon the coming into effect of this Scheme, the Reserve and Surplus shall be reduced by utilizing Capital Redemption Reserve/ Securities Premium Account amounting to Rs. 34,231,000/- for the purpose of adjusting / writing off Goodwill on de-merger.

The reduction shall be effected as an integral part of the scheme in accordance with provisions of section 78, 100 to 105 of the Act and the order of the High Court sanctioning the scheme shall be deemed to be also the order under section 102 of the Act for the purpose of confirming the reduction.

The reduction of Capital Redemption Reserve of the Demerged Company is merely technical in nature as it does not involve either diminution of any liability or the payment to any shareholder and therefore, the provisions of section 101 of the Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Demerged Company, the Demerged Company shall not be required to add “And Reduced” as suffix to its name and the Demerged Company shall carry on its old

name.

## **PART D- GENERAL TERMS AND CONDITIONS**

### **18 APPLICATION TO THE HON'BLE COURT**

RTEL and WAREHOUSE shall with all reasonable dispatch make applications/petitions under section 391 to 394 and section 78 and 100 to 105 and other applicable provisions of the Act to the Hon'ble Courts at Bombay for sanctioning of this Scheme of Arrangement under Section 391 and section 394 and section 78 and 100 to 105 of the Act and for such other or further order or orders there under as the Court may deem fit for carrying the Scheme into effect.

### **19 SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**

This Scheme is conditional upon the receipt of and subject to

19.1 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.

19.2 The sanction of the High Court of Bombay or any other authority under Section 391 to 394 and Section 78 and 100 to 105 of the Act in favour of WAREHOUSE, the Warehousing Business of RTEL under the said provisions and to the necessary order or orders under Section 394 of the said Act being obtained and the same being filed with the Registrar of Companies.

### **20 MODIFICATIONS/AMENDMENTS TO THE SCHEME**

The Transferor Companies and the Transferee Company by their respective Board of Directors or any duly authorised committee may make or consent to any modifications or amendments to the Scheme or to any conditions or limitations that

the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect. All modification / amendments to the scheme shall be subject to approval of the High Court.

## **21 EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS**

In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Transferor companies and the Transferee Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

## **22 EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses of the RTEL and the WAREHOUSE 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 Scheme of Arrangement shall, except as specifically provided therein, be borne and paid by the RTEL.